

File No. 230059

Committee Item No. 8

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date February 8, 2023

Board of Supervisors Meeting Date \_\_\_\_\_

#### Cmte Board

- |                                     |                          |  |
|-------------------------------------|--------------------------|--|
| <input type="checkbox"/>            | <input type="checkbox"/> | Motion                                       |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Resolution                                   |
| <input type="checkbox"/>            | <input type="checkbox"/> | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Digest                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/> | Youth Commission Report                      |
| <input type="checkbox"/>            | <input type="checkbox"/> | Introduction Form                            |
| <input type="checkbox"/>            | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/> | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Subcontract Budget                           |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement                           |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission                 |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Public Correspondence                        |

#### OTHER (Use back side if additional space is needed)

- |                                     |                          |  |
|-------------------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>BOS Ordinance No. 18-17 1/31/2017</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>BOS Ordinance No. 20-17 1/31/2017</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>MOHCD Presentation 2/8/2023</u>       |
| <input type="checkbox"/>            | <input type="checkbox"/> | _____                                    |
| <input type="checkbox"/>            | <input type="checkbox"/> | _____                                    |
| <input type="checkbox"/>            | <input type="checkbox"/> | _____                                    |
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| <input type="checkbox"/>            | <input type="checkbox"/> | _____                                    |

Completed by: Brent Jalipa Date February 2, 2023

Completed by: Brent Jalipa Date \_\_\_\_\_

1 [Standard Agreement - California Department of Housing and Community Development  
2 California Housing Accelerator Program - Sunnydale Block 3B - \$47,814,455]

3 **Resolution authorizing the Mayor’s Office of Housing and Community Development, on**  
4 **behalf of the City and County of San Francisco, to execute a Standard Agreement and**  
5 **other related documents with the State of California Department of Housing and**  
6 **Community Development (“HCD”) under the California Housing Accelerator Program**  
7 **which Standard Agreement includes an award of \$47,814,455 as a loan to Sunnydale**  
8 **Block 3B Housing Partners, L.P. (“Developer”), as sole borrower, for construction of a**  
9 **development affordable to low- and moderate-income families at Sunnydale Block 3B,**  
10 **located at 1555 Sunnydale Avenue, for a term of five years to commence upon**  
11 **execution of the Standard Agreement by HCD.**

12  
13 WHEREAS, Sunnydale Block 3B Housing Partners, L.P., a California limited  
14 partnership (“Developer”), requested the City and County of San Francisco (the “City”), acting  
15 by and through the Mayor’s Office of Housing and Community Development (“MOHCD”), to  
16 be a joint applicant for HCD’s California Housing Accelerator Program funding for its 90 unit,  
17 100% affordable housing project, and 3,700 square feet of community serving commercial  
18 space (the “Project”) identified as Sunnydale Block 3B (the “Sunnydale Block 3B”); in the  
19 Sunnydale HOPE SF Development Agreement (File No. 161164); and

20 WHEREAS, The Project consists of a 90-unit new construction development, which  
21 includes one unit for an onsite manager, 67 units as replacement units for public housing  
22 residents restricted at 50% City Median Income, and 22 units set aside for households with  
23 incomes at 80% City Median Income; and

24 WHEREAS, By Ordinance No. 20-17, approved on January 31, 2017, the Board of  
25 Supervisors made findings under the California Environmental Quality Act (Public Resources

1 Code, Sections 21000 et seq.) and findings of consistency with the General Plan, and the  
2 eight priority policies of Planning Code, Section 101.1, which Ordinance is on file with the  
3 Clerk of the Board of Supervisors in File No. 161309 and is incorporated herein by reference;  
4 and

5 WHEREAS, HCD issued the Tier II Project Solicitation and Guidelines (“NOFA”) dated  
6 February 28, 2022, amended on May 5, 2022, and amended again on August 31, 2022,  
7 establishing the California Housing Accelerator Program (the “Program”); and

8 WHEREAS, The Developer is an Eligible Applicant/Sponsor under the Program; and

9 WHEREAS, The Developer’s and the City’s application was successful and the parties  
10 were notified on September 6, 2022 (the “HCD Award”); and

11 WHEREAS, The HCD Award requires the Developer and the City, acting by and  
12 through MOHCD, to enter into a Standard Agreement and for the Developer, as the sole  
13 borrower (with no funds going to the City and all funds going to the Developer as the sole  
14 borrower), to enter into a loan in the amount of \$47,814,455 for the development and  
15 construction of the Sunnydale Block 3B Project; now, therefore, be it,

16 RESOLVED, That the Board of Supervisors approves and authorizes the MOHCD on  
17 behalf of the City, in consultation with the City Attorney, to enter into, execute, and deliver a  
18 Standard Agreement in an amount of \$47,814,455 which amount is in the form of a loan to the  
19 Developer, and any and all other documents required or deemed necessary or appropriate to  
20 participate in the Program, and all amendments thereto, under terms and conditions approved  
21 by the City Attorney providing that Program funds are to be used for allowable expenditures in  
22 accordance with the NOFA and Program Guidelines and Application Package; and, be it

23 FURTHER RESOLVED, That all actions authorized and directed by this Resolution and  
24 heretofore taken are ratified, approved and confirmed by this Board of Supervisors; and, be it

25

1 FURTHER RESOLVED, That within thirty (30) days of the Standard Agreement being  
2 fully executed by all parties, MOHCD (or its designee) shall provide the final Standard  
3 Agreement to the Clerk of the Board for inclusion into the official file; and, be it

4 FURTHER RESOLVED, That the Board of Supervisors acknowledges and agrees that  
5 the City, acting by and through MOHCD, shall be subject to the terms and conditions specified  
6 in the Standard Agreement, and that the Solicitation and the Standard Agreement will be  
7 incorporated in the Standard Agreement by reference and made a part thereof; any and all  
8 activities, expenditures, information, and timelines represented in the Application are  
9 enforceable through the Standard Agreement; funds are to be used for the allowable  
10 expenditures, uses, and activities identified in the Standard Agreement; and, be it

11 FURTHER RESOLVED, That the Director of MOHCD, or his designee, is hereby  
12 authorized to execute the Standard Agreement on behalf of the Public Entity.

13  
14  
15 Recommended:

16  
17  
18  /s/ \_\_\_\_\_

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



# SUNNYDALE HOPE SF BLOCK 3B

- 1555 SUNNYDALE AVE -

BUDGET AND FINANCE  
COMMITTEE  
FEBRUARY 8, 2023

RYAN VANZUYLEN, SENIOR PROJECT MANAGER  
MAYOR'S OFFICE OF HOUSING AND  
COMMUNITY DEVELOPMENT

# HOPE SF

Launched in 2007, HOPE SF is a twenty-year human and real estate capital commitment, spanning four mayoral administrations. HOPE SF is the nation's first large-scale community development and reparations initiative aimed at creating vibrant, inclusive mixed-income communities without mass displacement of the original residents.

Hunters View, Sunnydale, Potrero & Potrero Annex, and Alice Griffith, the four HOPE SF sites, share the goal of eradicating intergenerational poverty by:

- Ensuring No Loss of Public Housing.
- Creating an Economically Integrated Community.
- Maximizing the Creation of New Affordable Housing.
- Involving Residents in the Highest Levels of Participation in the Entire Project.
- Providing Economic Opportunities through the Rebuilding Process.
- Integrating Process with Neighborhood Improvement Revitalization Plans.
- Creating Economically Sustainable and Accessible Communities.
- Building a Strong Sense of Community.



1

File #230062

Resolution approving MOHCD  
loan agreement up to  
\$31,506,016

2

File #230061

Accept and Expend resolution  
for Infill Infrastructure Grant  
(IIG) funds of \$6,500,000

3

File #230059

Resolution authorizing execution  
standard agreement for  
California Housing Accelerator  
funds of \$47,814,455

SUNNYDALE HOPE SF BLOCK 3B  
BUDGET AND FINANCE COMMITTEE AGENDA ITEMS



## SUNNYDALE BLOCK 3B

- 3<sup>rd</sup> 100% affordable development at Sunnydale HOPE SF
- Development Sponsors are Related California and Mercy Housing California
- 89 affordable units, 1 non-restricted manager's unit (90 total)
- 67 units set aside for existing Potrero public housing residents at 50% SF AMI
- Remaining units at 80% SF AMI
- ~3700k sq. ft for 7 community serving retail spaces



## FINANCING

- Total Costs \$106M
- MOHCD \$31.5M
- IIG \$6.5M
- Accelerator \$47.8M
- Other \$20.2M

## TIMELINE

- Housing Construction begin March 2023
- Construction finish Jan. 2025
- Lease up Complete July 2025





Thank you

**STANDARD AGREEMENT**AGREEMENT NUMBER  
22-ACC-17499

PURCHASING AUTHORITY NUMBER (if applicable)

STD 213 (Rev. 04/2020)

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

## CONTRACTING AGENCY NAME

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

## CONTRACTOR'S NAME

Sunnydale Block 3B Housing Partners, L.P., City and County of San Francisco, and Mercy Housing California

2. The term of this Agreement is:

## START DATE

Upon HCD Approval

## THROUGH END DATE

five (5) years from the Effective Date

3. The maximum amount of this Agreement is:

\$47,814,455.00

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

| EXHIBITS                       | TITLE  | PAGES         |
|--------------------------------|--|---------------|
| Exhibit A                      | Authority, Purpose and Scope of Work             | 8             |
| Exhibit B                      | Budget Detail and Payment Provisions             | 2             |
| Exhibit C*                     | State of California General Terms and Conditions | GTC - 04/2017 |
| Exhibit D                      | State of California General Terms and Conditions | 14            |
| Exhibit E                      | Special Conditions                               | 4             |
| TOTAL NUMBER OF PAGES ATTACHED |  | 28            |

*Items shown with an asterisk (\*), are hereby incorporated by reference and made part of this agreement as if attached hereto.**These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>*

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

**CONTRACTOR**

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

See Attached

CONTRACTOR BUSINESS ADDRESS

See Attached

CITY

See Attached

STATE

See Attached

ZIP

See Attached

PRINTED NAME OF PERSON SIGNING

See Attached

TITLE

See Attached

CONTRACTOR AUTHORIZED SIGNATURE

See Attached

DATE SIGNED

See Attached

**STATE OF CALIFORNIA**

CONTRACTING AGENCY NAME

Department of Housing and Community Development

CONTRACTING AGENCY ADDRESS

2020 W. El Camino Ave., Suite 130

CITY

Sacramento

STATE

CA

ZIP

95833

PRINTED NAME OF PERSON SIGNING

TITLE

Contracts Office Manager,  
Contract Services Section

CONTRACTING AGENCY AUTHORIZED SIGNATURE

DATE SIGNED

California Department of General Services Approval (or exemption, if applicable)

Exempt per; SCM Vol. 1 4.04.A.3 (DGS memo dated 06/12/1981)

**CONTRACTOR**

---

**Sunnydale Block 3B Housing Partners, L.P.**

a California limited partnership

By: Related/Sunnydale Block 3B Development Co., LLC  
a California limited liability company

Its: Member

By: \_\_\_\_\_ Date: \_\_\_\_\_

Ann Silverberg  
President

---

Address:

44 Montgomery Street, Suite 1300  
San Francisco, CA 94104

---

**Mercy Housing California**

California nonprofit public benefit corporation

By: \_\_\_\_\_ Date: \_\_\_\_\_

Ramie Dare  
Vice President

---

Address:

1256 Market Street  
San Francisco, CA 94102

---

**City and County of San Francisco**

a municipal corporation, acting by and through the Mayor's Office of Housing and Community Development

By: \_\_\_\_\_ Date: \_\_\_\_\_

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

---

Address:

1 South Van Ness Avenue, 5th Floor  
San Francisco, CA 94103

---

**AGREEMENT SUMMARY**

STD 215 (Rev. 04/2020)

SCO ID:

CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED

|   |                         |
|---|-------------------------|
| <b>AGREEMENT NUMBER</b><br>22-ACC-17499 | <b>AMENDMENT NUMBER</b> |
|---|-------------------------|

|  |                                      |
|--|--------------------------------------|
| <b>1. CONTRACTOR'S NAME</b><br>Sunnydale Block 3B Housing Partners, L.P., City and County of San Francisco, and Mercy Housing California | <b>2. FEDERAL I.D. NUMBER</b><br>N/A |
|--|--------------------------------------|

|  |   |                                      |
|--|---|--------------------------------------|
| <b>3. AGENCY TRANSMITTING AGREEMENT</b><br>Housing and Community Development | <b>4. DIVISION, BUREAU, OR OTHER UNIT</b><br>Financial Assistance | <b>5. AGENCY BILLING CODE</b><br>N/A |
|--|---|--------------------------------------|

|                                  |                  |                         |
|----------------------------------|------------------|-------------------------|
| <b>6a. CONTRACT ANALYST NAME</b> | <b>6b. EMAIL</b> | <b>6c. PHONE NUMBER</b> |
|----------------------------------|------------------|-------------------------|

**7. HAS YOUR AGENCY CONTRACTED FOR THESE SERVICES BEFORE?**  
 NO     YES (If Yes, enter prior contractor name and agreement number)

|                                     |                                      |
|-------------------------------------|--------------------------------------|
| <b>PRIOR CONTRACTOR NAME</b><br>N/A | <b>PRIOR AGREEMENT NUMBER</b><br>N/A |
|-------------------------------------|--------------------------------------|

**8. BRIEF DESCRIPTION OF SERVICES**  
 New construction or rehabilitation of HCD-funded multi-family affordable housing projects. All funds shall be used only for expenses that would be categorized as project costs by the federal low-income housing tax credit program.

**9. AGREEMENT OUTLINE** (Include reason for Agreement: Identify specific problem, administrative requirement, program need or other circumstances making the Agreement necessary; include special or unusual terms and conditions.)

The California Housing Accelerator is intended to provide forgivable loans to expedite the construction and production of qualified shovel-ready projects that, despite having an Existing HCD Loan Commitment from one or more HCD loan programs, are unable to move forward due to funding gaps that resulted from the current shortage of tax-exempt bond allocations and low-income housing tax credits.

**10. PAYMENT TERMS** (More than one may apply)

- Monthly Flat Rate     Quarterly     One-Time Payment     Progress Payment  
 Itemized Invoice     Withhold    0%     Advanced Payment Not To Exceed  
 Reimbursement/Revenue    \$    \$ 0.00    or    0%  
 Other (Explain)

**11. PROJECTED EXPENDITURES**

| FUND TITLE   | ITEM               | FISCAL YEAR | CHAPTER | STATUTE | PROJECTED EXPENDITURES |
|--------------|--------------------|-------------|---------|---------|------------------------|
| General Fund | 2240 121 0001 Cat. | 2022/2023   | 43      | 2022    | \$ 47,814,455.00       |
|              |                    |             |         |         |                        |
|              |                    |             |         |         |                        |

|  |                        |                  |
|--|------------------------|------------------|
| <b>OBJECT CODE</b> 22402000/48006 = \$47,814,455.00 5438000 - Loans, Transfers and Other Disbursements | <b>AGREEMENT TOTAL</b> | \$ 47,814,455.00 |
|--|------------------------|------------------|

|                     |   |                  |
|---------------------|---|------------------|
| <b>OPTIONAL USE</b> | <b>AMOUNT ENCUMBERED BY THIS DOCUMENT</b> | \$ 47,814,455.00 |
|---------------------|---|------------------|

|   |   |                  |
|---|---|------------------|
| <i>I certify upon my own personal knowledge that the budgeted funds for the current budget year are available for the period and purpose of the expenditure stated above.</i> | <b>PRIOR AMOUNT ENCUMBERED FOR THIS AGREEMENT</b> | \$ 0.00          |
|   | <b>TOTAL AMOUNT ENCUMBERED TO DATE</b>            | \$ 47,814,455.00 |

|                                       |  |                    |
|---------------------------------------|--|--------------------|
| <b>ACCOUNTING OFFICER'S SIGNATURE</b> | <b>ACCOUNTING OFFICER'S NAME</b> (Print or Type) | <b>DATE SIGNED</b> |
|---------------------------------------|--|--------------------|

AGREEMENT SUMMARY

STD 215 (Rev. 04/2020)

AGREEMENT NUMBER

22-ACC-17499

AMENDMENT NUMBER

12. AGREEMENT

Table with 5 columns: AGREEMENT, TERM FROM, TERM THROUGH, TOTAL COST OF THIS TRANSACTION, BID, SOLE SOURCE, EXEMPT. Rows include Original, Amendment No. 1, 2, 3, and a TOTAL row.

13. BIDDING METHOD USED:

- Request for Proposal (RFP)
Invitation for Bid (IFB)
Other (Explain) SCM Vol 1, 5.80, B.2.b
Use of Master Service Agreement
Sole Source Contract(Attach STD. 821)

Note: Proof of advertisement in the State Contracts Register or an approved form STD.821, Contract Advertising Exemption Request, must be attached.

14. SUMMARY OF BIDS (List of bidders, bid amount and small business status) (If an amendment, sole source, or exempt, leave blank.)

15. IF AWARD OF AGREEMENT IS TO OTHER THAN THE LOWER BIDDER, PLEASE EXPLAIN REASON(S). (If an amendment, sole source, or exempt, leave blank.)

16. WHAT IS THE BASIS FOR DETERMINING THAT THE PRICE OR RATE IS REASONABLE?

N/A

17a. JUSTIFICATION FOR CONTRACTING OUT (Check one)

- Contracting out is based on cost savings per Government Code 19130(a).
Not Applicable (Interagency / Public Works / Other)
Contracting out is justified based on Government Code 19130(b).

17b. EMPLOYEE BARGAINING UNIT NOTIFICATION

- By checking this box, I hereby certify compliance with Government Code section 19132(b)(1).

Table with 3 columns: AUTHORIZED SIGNATURE, SIGNER'S NAME, DATE SIGNED. All fields are N/A.

18. FOR AGREEMENTS IN EXCESS OF \$5,000: Has the letting of the agreement been reported to the Department of Fair Employment and Housing?

- No Yes N/A

19. HAVE CONFLICT OF INTEREST ISSUES BEEN IDENTIFIED AND RESOLVED AS REQUIRED BY THE STATE CONTRACT MANUAL SECTION 7.10?

- No Yes N/A

20. FOR CONSULTING AGREEMENTS: Did you review any contractor evaluations on file with the DGS Legal Office?

- No Yes N/A

21. IS A SIGNED COPY OF THE FOLLOWING FILE AT YOUR AGENCY FOR THIS CONTRACTOR?

- A. Contractor Certification Clauses
B. STD.204 Vendor Data Record
No Yes N/A

22. REQUIRED RESOLUTIONS ARE ATTACHED

- No Yes N/A

23. IS THIS A SMALL BUSINESS AND/OR A DISABLED VETERAN BUSINESS CERTIFIED BY DGS?

- No Yes

SB/DVBE Certification Number:

N/A

24. ARE DISABLED VETERANS BUSINESS ENTERPRISE GOALS REQUIRED?

- (If an amendment, explain changes, if any) No (Explain Below) Yes % of Agreement

N/A

25. IS THIS AGREEMENT (WITH AMENDMENTS) FOR A PERIOD OF TIME LONGER THAN THREE YEARS?

- No Yes (If Yes, provide justification below)

N/A

I certify that all copies of the referenced Agreement will conform to the original Agreement sent to the Department of General Services.

Table with 3 columns: SIGNATURE, NAME/TITLE, DATE SIGNED. Name: Contracts Office / Contracts Analyst.

**AGREEMENT SUMMARY**

STD 215 (Rev. 04/2020)

AGREEMENT NUMBER

22-ACC-17499

AMENDMENT NUMBER

**JUSTIFICATION - CALIFORNIA CODE OF REGULATIONS, TITLE 2, SECTION 547.60**

In the space provided below, the undersigned authorized state representative documents, with specificity and detailed factual information, the reasons why the contract satisfies one or more of the conditions set forth in Government Code section 19130(b). Please specify the applicable subsection. Attach extra pages if necessary.

**DRAFT**

*The undersigned represents that, based upon his or her personal knowledge, information or belief the above justification correctly reflects the reasons why the contract satisfies Government Code section 19130(b).*

|              |                            |             |     |
|--------------|----------------------------|-------------|-----|
| SIGNATURE    | NAME/TITLE (Print or Type) | DATE SIGNED |     |
| PHONE NUMBER | STREET ADDRESS             |             |     |
| EMAIL        | CITY                       | STATE       | ZIP |

## EXHIBIT A

### **AUTHORITY, PURPOSE AND SCOPE OF WORK**

#### 1. **Authority**

California Assembly Bill No. 140 (Chapter 111, Statutes of 2021) ("**AB 140**") created the statutory basis for the California Housing Accelerator by adding Chapter 6.6 (commencing with Section 50672) to Part 2 of Division 31 of the Health and Safety Code. Health and Safety Code section 50672.3 authorizes the Department of Housing and Community Development ("**Department**" or "**HCD**") to adopt guidelines to administer this new chapter.

The Department issued a California Housing Accelerator Tier 2 Project Solicitation and Guidelines on February 28, 2022, which was subsequently amended on May 5, 2022 and August 31, 2022 (collectively, "**Project Solicitation**"). This Project Solicitation serves as the Department's guidelines for administration of the California Housing Accelerator.

California Housing Accelerator funds are derived from the federal Coronavirus State Fiscal Recovery Fund ("**CSFRF**"), which was established by the American Rescue Plan Act of 2021 ("**ARPA**") (Pub.L. No. 117-2). Through the 2021-22 California state budget, the funds have been allocated to the California Housing Accelerator. Additional State funds have been allocated to the California Housing Accelerator through the 2022-2023 California state budget.

This STD 213, Standard Agreement ("**Agreement**") is entered under the authority and in furtherance of the California Housing Accelerator. This Agreement is the result of an application by the Sponsor(s) for California Housing Accelerator funding (the "**Application**"). As such, this Agreement shall be executed by all Sponsors. Where the Sponsor comprises more than one entity, all Co-Sponsor entities shall execute and be bound by the Agreement.

This Agreement hereby incorporates by reference the Application in its entirety, as well as the project report prepared by the Department in reliance on the representations and descriptions included in that Application (the "**Accelerator Project Report**"). This Agreement is governed by the following legal authorities and materials, as amended and in effect from time to time (collectively, the "**California Housing Accelerator Requirements**"), and each of them is incorporated hereto as if set forth in full herein:

- A. Chapter 6.6 (commencing with Section 50672) of Part 2 of Division 31 of the Health and Safety Code:



- B. Health and Safety Code section 50406;
- C. The Project Solicitation;
- D. ARPA and related federal guidance;
- E. The award letter issued by the Department to the Sponsor(s); and
- F. All other applicable law.

## 2. **Purpose**

The California Housing Accelerator is intended to expedite the construction and production of Qualified Rental Housing Developments, as defined below, that are unable to proceed due to the short supply of tax credit and bond allocations.

The Department will provide California Housing Accelerator assistance in the form of a forgivable permanent financing loan (the “**Loan**”).

Sponsor(s) applied to the Department for the Loan, which will be expended on Eligible Uses, as defined in Paragraph 3 and as outlined in Paragraph 4 below. By entering into this Agreement and thereby accepting the award of the Loan, the Sponsor(s) agrees to comply with the California Housing Accelerator Requirements and the terms and conditions of this Agreement.

## 3. **Definitions**

Any capitalized terms that are not defined below have the definitions set forth in the California Housing Accelerator Requirements. In the event of any conflict, the definitions in this Agreement and the Project Solicitation are controlling.

- A. “**Application Fee**” means the refundable fee of \$40,000.00, which the Department charged per California Housing Accelerator application. This fee will be fully refunded if the Sponsor meets the Commencement of Construction Deadline, or if the Project obtains a tax credit allocation and the California Housing Accelerator funds are disencumbered prior to the Commencement of Construction Deadline.
- B. “**Assisted Unit**” means a Department-funded residential dwelling unit that is subject to rent, income, occupancy, and other restrictions in accordance with California Housing Accelerator Requirements.

- C. **“Borrower”** means the entity that incurs the obligation for the Loan that is subject to California Housing Accelerator Requirements.
- D. **“California Housing Accelerator Requirements”** means the legal authority and California Housing Accelerator materials listed at Paragraph 1 (A – F), above.
- E. **“CDLAC”** means the California Debt Limit Allocation Committee.
- F. **“Commencement of Construction Deadline”** means the date, no later than 180 days from the date of the award, by which construction shall have commenced on the Project, or that extended date, up to 90 days beyond the 180-day period, which was approved by the Department in its sole and absolute discretion and on the basis of conditions beyond the control of the Sponsor. This date is identified with specificity at Exhibit E of this Agreement. For purposes of this definition, “commencement of construction” means the first land-disturbing activity associated with a Project, including land preparation such as clearing, grading, and filling, or the first alteration of any wall, ceiling, floor, or other structural part of a building, whether or not that alteration affects the external dimensions of the building.
- G. **“Eligible Uses”** means the expenses that are categorized as reasonable project costs by the federal low-income housing tax credit program (e.g., reasonable reserves), as well as the construction loans that funded such expenses, and any other expenses allowed by the Department in its sole and absolute discretion.
- H. **“Existing HCD Loan Commitment”** means the Department’s direct loan commitment of funds to the Qualified Rental Housing Development that predated the Application for California Housing Accelerator funds, as well as the Department loan program making that commitment.
- I. **“Homeless Household”** or **“Household Experiencing Homelessness”** means a household that meets one of the (1) – (4) criteria set forth at California Code of Regulations, title 4, section 10315, subdivision (b), unless the Existing HCD Loan Commitment is based on a different definition of this or a similar term, in which case the definition associated with the Existing HCD Loan Commitment shall apply.
- J. **“Local Public Entity”** is defined at Health and Safety Code section 50079, and means any county, city, city and county, the duly constituted governing body of an Indian reservation or rancheria, tribally designated housing entity as defined in Section 4103 of Title 25 of the United States Code and Section 50104.6.5,

- redevelopment agency organized pursuant to Part 1 (commencing with Section 33000) of Division 24, or housing authority organized pursuant to Part 2 (commencing with Section 34200) of Division 24, and also includes any state agency, public district, or other political subdivision of the state, and any instrumentality thereof, that is authorized to engage in or assist in the development or operation of housing for persons and families of low or moderate income. In addition, and in accord with this Health and Safety Code definition, the term “**Local Public Entity**” also includes two or more local public entities acting jointly.
- K. “Performance Milestones”** means the indicators and metrics of progress and performance that are identified as such at Exhibit E of this Agreement. Sponsor’s failure to satisfy any one of the Performance Milestones will constitute a breach of this Agreement and will entitle the Department to exercise any and all available remedies, including the recapture of disbursed Loan funds and the cancellation of this Agreement.
- L. “Permanent Loan Conversion”** means the Project has leased up to a minimum of 90 percent occupancy for at least 30 days in accordance with the applicable Department funding requirements; the units have been leased to the appropriate or designated populations identified at Exhibit E, and they have met the terms and conditions of all Department funding awarded to the Project; and all construction period financing has been paid off or converted to permanent financing.
- M. “Permanent Loan Conversion Deadline”** means the date of November 30, 2026. This date is the disbursement and expenditure deadline for all California Housing Accelerator funds.
- N. “Project” or “Rental Housing Development”** means the following: (i) a “qualified low-income housing project,” as defined in Section 42(g) of the Internal Revenue Code (26 U.S.C. § 42(g)); or (ii) a Qualifying Infill Project, as defined under the Infill Incentive Grant Program of 2007 or the Infill Infrastructure Grant Program of 2019, that meets the requirements of those programs. A “**Project**” or “**Rental Housing Development**” must also be a “**Qualified Rental Housing Development**.”
- O. “Qualified Rental Housing Development”** is defined in accordance with Health and Safety Code section 50672.1, subdivision (e), and means a rental housing development that received an award letter from any qualifying multifamily housing direct loan program administered by the Department, and that therefore has an Existing HCD Loan Commitment.
- P. “Scope of Work” or “Work”** means the work to be performed by the Sponsor to accomplish the California Housing Accelerator purpose, as specified at Exhibit E.

- Q.** “**Sponsor**” is defined in accordance with Health and Safety Code sections 50675.2 and 50669. When the Sponsor comprises two or more entities, the entities may be referred to, both individually and collectively, as the “Sponsor.” Each such entity may also be referred to individually as a “**Co-Sponsor**.” The Sponsor structure shall include any Local Public Entity that is a Co-Sponsor of the Existing HCD Loan Commitment; such Local Public Entity shall execute the Standard Agreement as a duly authorized Co-Sponsor prior to construction loan closing. The Sponsor entities shall be bound by the California Housing Accelerator Standard Agreement, and by each and every one of the California Housing Accelerator terms, conditions, and restrictions. On the STD 213 portion of this Agreement, the Sponsor is identified as the Contractor.
- R.** “**TCAC**” means the California Tax Credit Allocation Committee.
- S.** “**UMR**” means the Uniform Multifamily Regulations (Cal. Code Regs., tit. 25, § 8300 et seq.), effective November 15, 2017, and as subsequently amended.

**4. Eligible Uses**

Sponsor shall apply the Loan to Eligible Uses, as defined in Paragraph 3 of this Exhibit A. The Department reserves the right to disallow expenditures that do not constitute Eligible Uses, as determined by the Department in its sole and absolute discretion. The Department reserves the right, consistent with applicable law, to require its prior written approval of all reserve withdrawals, regardless of whether the reserve was required by the Department.

Sponsor’s use of the funds and Scope of Work are specified at Exhibit E of this Agreement.

**5. California Housing Accelerator Deadlines**

- A.** The Project must commence construction no later than the Commencement of Construction Deadline, as specified at Exhibit E of this Agreement. The Department may, in its sole and absolute discretion, extend the Commencement of Construction Deadline due to conditions beyond the control of the Sponsor, for a period not to exceed 90 days.

Failure to meet the Commencement of Construction Deadline, or any Department-approved extension, will result in the forfeiture of the Application Fee and the California Housing Accelerator award. Such failure will also cause the Department to assess negative points when scoring any future application by the Sponsor for

Department funding. The foregoing penalties will not apply, however, if the Sponsor secures a CDLAC/TCAC allocation, and the California Housing Accelerator funds are disencumbered by the Commencement of Construction Deadline.

- B. Within seven (7) months of the award, the Sponsor shall submit documentary evidence to the Department that construction commenced by the Commencement of Construction Deadline. Sponsor shall make this showing as specified by Paragraph 7 of Exhibit A of this Agreement.
- C. The Loan proceeds shall be disbursed through permanent financing close of escrow and expended on Eligible Uses no later than the Permanent Loan Conversion Deadline of **November 30, 2026**. This Permanent Loan Conversion Deadline is derived from the federal expenditure deadline of December 31, 2026 for the CSFRF funds.

## 6. Performance Milestones

Sponsor shall complete each of the Performance Milestones set forth at Exhibit E of this Agreement by the date designated for such completion therein (each a “**Milestone Completion Date**”). The Performance Milestones shall include, but not be limited to, the Commencement of Construction Deadline, any deadlines for the submission of necessary documentary evidence, and any reporting deadlines.

Sponsor may apply to the Department for an extension of any such Milestone Completion Date. Approval of any such extension request, with the exception of the Commencement of Construction Deadline, shall be in the Department’s reasonable discretion. (The Department maintains sole and absolute discretion to approve an extension of the Commencement of Construction Deadline.) In no event will the Department approve an extension request in the absence of Sponsor’s demonstration of good cause for said extension, along with Sponsor’s reasonable assurances that the extension will not result in Sponsor’s failure to meet other Performance Milestones under this Agreement. In no event will the Department approve an extension of the Construction Commencement Deadline beyond the statutorily authorized 90 days.

## 7. Reporting Requirements

- A. Sponsor shall comply with all reporting requirements set forth at Section II.F.11 of the Project Solicitation and in this Agreement, all in accordance with any Milestone Completion Date(s) set forth at Exhibit E of this Agreement.

- B. After satisfaction of each Performance Milestone, the Sponsor shall promptly report its progress, in writing, to the Department.
- C. Within seven (7) months of the award, the Sponsor shall submit documentary evidence to the Department that construction commenced by the Commencement of Construction Deadline. If the Department extends the Commencement of Construction Deadline, as authorized, the Sponsor's deadline for submitting the foregoing documentary evidence shall be extended in the same increment as the extension of the Commencement of Construction Deadline. Qualifying forms of documentary evidence include the following:
- 1) Recordation of a notice of commencement;
  - 2) Date- and time-stamped photographs;
  - 3) Physical inspection report; or
  - 4) Other documentation subject to the approval of the Department.

Failure to submit qualifying documentary evidence within the specified timeframes may result in forfeiture of the Application Fee, forfeiture of the award, and/or an assessment of negative points relative to any future application for Department funding.

**8. Department Contract Coordinator**

The Department's Contract Coordinator for this Agreement is the Program Manager for the California Housing Accelerator. Unless otherwise informed, Sponsor shall mail any notice, report, or other communication required under this Agreement by First-Class Mail to the Department Contract Coordinator at the following address:

California Department of Housing and Community Development  
California Housing Accelerator Program Manager  
Division of State Financial Assistance – PDI Branch  
P. O. Box 952054  
Sacramento, CA 94252-2054

**9. Sponsor Contract Coordinator**

Unless otherwise informed, the Department shall mail any notice, report, or other communication required under this Agreement by First-Class Mail, or through a

commercial courier, to the Sponsor Contract Coordinator at the address specified at Exhibit E of this Agreement.

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## EXHIBIT B

### **BUDGET DETAIL AND DISBURSEMENT PROVISIONS**

#### **1. Terms of Loan**

Sponsor has been awarded a permanent financing forgivable Loan in the amount set forth in this Agreement. The Loan will have an interest rate of 0 percent for 20 years. The 20-year term will commence on the date of recordation of the California Housing Accelerator Loan documents at Permanent Loan Conversion. There will be no residual receipts or periodic payment requirements during the life of the Loan.

The Loan will be forgiven by the Department at the end of the 20-year loan term if all of the following are true at that time, as determined by the Department in its sole and absolute discretion:

- A. Sponsor remains in good standing with the California Secretary of State and the Department;
- B. The Project is not in default under the terms of any of the Department's loan or grant documents for that Project; and
- C. Negative points have not been assessed against the Sponsor during the previous five (5) years in connection with any Department-assisted project.

The Loan shall be subject to repayment if, during the 20-year term, the Project is (i) converted to market-rate housing; or (ii) sold or refinanced with a distribution of net equity. The amount of any funds expended by the Department for the purposes of curing or averting a default will be added to the Loan amount secured by the Project payable to the Department upon demand.

#### **2. Disbursement**

At the time of the Project's permanent financing closing, all California Housing Accelerator Loan proceeds must be disbursed through an independent escrow/title company licensed to do business in the State of California. The Department shall prepare and submit escrow instructions to the escrow holder. The Department's escrow instructions will further detail the requirements for, and conditions to, the release of Loan proceeds to the Sponsor.

The Loan proceeds will be released through escrow upon the Sponsor's, or its assignee's, submittal of the STD 204, Payee Data Record, and the HCD 846, Request for Funds,



and, in all events, upon the Sponsor's satisfaction of the terms and conditions of this Agreement, all applicable California Housing Accelerator Requirements, and all applicable requirements of Department funding programs for this Project. The Department reserves the right to retain 10 percent of the approved Loan proceeds pending receipt and acceptance of the cost audit and any outstanding loan closing items.

**3. Duplication of Benefit**

Sponsor may not use California Housing Accelerator funding to cover expenditures that have already been funded through other permanent sources. Expenses that have been or will be reimbursed under any federal or state program are not Eligible Uses of California Housing Accelerator funding.

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## EXHIBIT D

### **CALIFORNIA HOUSING ACCELERATOR PROGRAM TERMS AND CONDITIONS**

#### **1. Effective Date, Term of Agreement, Timing, and Deadlines**

- A. This Agreement, when fully executed by the Department and the Sponsor, is effective upon the date of the Department representative's signature on the STD 213, Standard Agreement (such date, the "**Effective Date**").
- B. This Agreement will terminate five (5) years after the Effective Date, as stated in Paragraph 2 of the STD 213, Standard Agreement (such date, the "**Expiration Date**").
- C. The Department will make best efforts to do the following as of the construction loan closing date: (a) review all transaction documents that are made available to the Department in advance of closing; and (b) opine as to the legal sufficiency of those documents for purposes of the California Housing Accelerator Loan and the Existing HCD Loan Commitment(s). For purposes of this subparagraph, "transaction documents" includes, but is not limited to, construction and permanent loan documents; environmental reports; preliminary reports from title companies; surveys; appraisals; authorization and organizational documents; property management agreements; applicable leases; and relocation plans or certifications.
- D. The Sponsor shall close the construction financing approved by the Department and commence construction of the Project in accordance with the Performance Milestones approved by the Department. Upon the Department's request, the Sponsor shall promptly provide evidence of recorded deeds of trust for all construction financing, payment of all construction lender fees, issuance of building permits, and the notice to proceed delivered to the contractor. Evidence of a grading permit is not sufficient for purposes of this subparagraph.
- E. The Loan proceeds shall be disbursed at Permanent Loan Conversion through escrow and expended on Eligible Uses no later than **November 30, 2026**. If Sponsor fails to meet this Permanent Loan Conversion Deadline, the Department will terminate this Agreement and exercise all legal and equitable remedies, including the events of default remedies of Paragraph 3 of Exhibit D, unless an

alternate arrangement is legally permissible and has been approved by the Department in advance and in writing.

**2. Existing HCD Loan Commitment - General Terms and Conditions of Standard Agreement**

This Agreement incorporates by reference the Department's General Terms and Conditions set forth in each Existing HCD Loan Commitment's STD 213, Standard Agreement (the "**Existing HCD General Terms and Conditions**"). (The Existing HCD General Terms and Conditions may, but need not, be set forth at Exhibit D of each Existing HCD Loan Commitment's STD 213, Standard Agreement.) Each Existing HCD Loan Commitment is identified at Paragraph 1 of Section A of Exhibit E of this Agreement.

In the event of any conflict between the Existing HCD General Terms and Conditions, this Agreement and the California Housing Accelerator Requirements, the California Housing Accelerator Requirements shall control to the furthest extent allowed by law. In no event shall the Existing HCD General Terms and Conditions be interpreted to frustrate, limit, or impair the Department's objectives, rights, and remedies in connection with the California Housing Accelerator.

**3. Termination for Cause**

The Department may terminate this Agreement for cause at any time by giving at least fourteen (14) calendar days' advance written notice to the Sponsor. Such termination will not limit any other remedies that may be available to the Department under this Agreement, at law, or in equity. Cause consists of Sponsor's breach of, or failure to satisfy, any of the terms or conditions of this Agreement. Cause includes but is not limited to the following:

- A. Sponsor's failure to meet the Permanent Loan Conversion Deadline of **November 30, 2026**.
- B. Sponsor's failure to timely satisfy each or any of the conditions set forth in these California Housing Accelerator General Terms and Conditions, the Project-Specific Provisions and Special Terms and Conditions set forth at Exhibit E of this Agreement (including any one of the Performance Milestones), or the award letter.
- C. Sponsor's violation of any of the California Housing Accelerator Requirements.

- D. The Department's determination that:
- 1) Any material fact or representation, made or furnished to the Department by the Sponsor in connection with the Application or the award letter, is untrue or misleading at the time that such fact or representation was made known to the Department, or subsequently becomes untrue or misleading; or
  - 2) Sponsor has concealed any material fact from the Department related to the Application or the Project.
- E. Filing of a petition by Sponsor, or any affiliate or general partner of Sponsor, for relief under the Bankruptcy Code; the filing of any pleading or answer by Sponsor, or any affiliate or general partner of Sponsor, in any involuntary proceeding under the Bankruptcy Code; a general assignment by Sponsor, or any affiliate or general partner of Sponsor, for the benefit of creditors; or the filing of an application for the appointment of a receiver, trustee, custodian or liquidator of Sponsor or any of its property, or of any affiliate or general partner of Sponsor or any of its property.
- F. Failure of Sponsor, or of any affiliate or general partner of Sponsor, to effect a full dismissal of any involuntary petition under the Bankruptcy Code that is filed against Sponsor, or any affiliate or general partner of Sponsor, or that in any way restrains or limits Sponsor, any affiliate or general partner of Sponsor, or the Department regarding the Loan or the Project, prior to the earlier of the entry of any court order granting relief sought in such involuntary petition, or thirty (30) days after the date of filing of such involuntary petition.
- G. Attachment, levy, execution, or other judicial seizure of any portion of the Project, or any substantial portion of the other assets of Sponsor, or of any affiliate or general partner of Sponsor, that is not released, expunged, bonded, discharged, or dismissed within thirty (30) days after the attachment, levy, execution, or seizure.
- H. Pendency of any proceeding challenging the legal existence or authority of Sponsor, or of any affiliate or general partner of Sponsor, or the pendency of any proceeding challenging the legality of the Project.
- I. The Department's determination that the objectives and the requirements of the California Housing Accelerator cannot be met in accordance with applicable timeframes, as memorialized by this Agreement.

- J. Sponsor's failure to comply with the Department's General Terms and Conditions for any Department funding source for this Project.

In the event of this or any other breach, violation, or default by the Sponsor, the Department may give written notice to the Sponsor to cure the breach, violation, or default. If the breach, violation, or default is not cured to the Department's satisfaction within 30 days or such other reasonable time as determined by the Department in its sole and absolute discretion and based on the totality of the circumstances, then the Department may declare a default under this Agreement and seek any and all remedies that are available under this Agreement, at law, or in equity.

#### **4. Cancellation**

- A. It is mutually understood between the parties that this Agreement may have been written for the mutual benefit of both parties before ascertaining the availability of congressional appropriation of funds to avoid program and fiscal delays that would occur if this Agreement were executed after that determination was made.
- B. This Agreement is valid and enforceable only if sufficient funds are made available to the State of California by the United States Government for fiscal years 2021-2022 through 2025-2026 for purposes of the CSFRF and this Agreement. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or to any statute enacted by the Congress that may affect the provisions, terms, or funding of this Agreement in any manner.
- C. The parties mutually agree that if the Congress does not appropriate sufficient funds for the CSFRF, this Agreement will be amended to reflect any subsequent reduction in CSFRF funds.
- D. The Department may cancel this Agreement, in whole or in part, if (i) sufficient funds are not made available by the United States Government; (ii) Congress enacts any restrictions, limitations, or conditions that impact this Agreement or the funding of this Agreement; or (iii) cancellation is otherwise permitted under state contracting law.
- E. To cancel this Agreement pursuant to this paragraph, the Department shall give thirty (30) calendar days' advance written notice to the Sponsor. The Sponsor shall return any unexpended portion of its Loan award to the Department within thirty (30) calendar days from the date on the Department's written notice of

cancellation, unless (i) the parties have agreed upon an alternate arrangement in advance and in writing; or (ii) an alternate arrangement is necessary for one or both parties to remain in compliance with ARPA or other applicable law.

**5. Sponsor Liability**

Sponsor shall remain liable to the Department for performance under this Agreement and compliance with all California Housing Accelerator Requirements regardless of any Department-approved transfer or assignment of interest, or of any designation of a third party for the undertaking of all or any part of the Scope of Work. Likewise, each Co-Sponsor shall remain jointly and severally liable to the Department for performance under this Agreement and compliance with all California Housing Accelerator Requirements regardless of any Department-approved transfer or assignment of interest, or of any designation of a third party for the undertaking of all or any part of the Scope of Work.

**6. Disputes**

In the event of any conflict between this Agreement and any documents internal to the Sponsor or Borrower (e.g., limited partnership agreement), this Agreement and the California Housing Accelerator Requirements will prevail, are applicable, and will be enforceable by the Department, notwithstanding, without limitation, any prior or preliminary review or approval of any such documents by the Department at the time of construction loan closing or otherwise.

**7. Consent**

The parties agree that wherever the consent or approval of the Department or the Sponsor is required under this Agreement, such consent or approval must not be unreasonably withheld, conditioned, or delayed, unless the same is specified as being in that party's sole and absolute discretion or other words of similar import.

**8. Relocation Plan**

Sponsor must comply with all applicable federal, state, and local relocation law. Pursuant to relocation law, a Sponsor must have a relocation plan prior to proceeding with any phase of a Project or other activity that will result in the displacement of persons, businesses, or farm operations. To ensure that displaced persons and entities do not suffer a disproportionate impact as a result of Projects which benefit the public, all notices to vacate and relocation services must be provided to them in accordance with applicable law.

Before this Agreement will be executed, Sponsor must have either:

- A. A Department-approved relocation plan; or
- B. A Department-issued Certification Regarding Non-Application of Relocation Benefits and Indemnification Agreement, which has been duly executed by the Sponsor and approved by the Department.

Where the Sponsor's activities will or may result in displacement, the Sponsor's development budget must include enough funds to pay all costs of relocation benefits and assistance.

Any modifications to the foregoing process requirements are set forth at Exhibit E of this Agreement.

**9. Article XXXIV**

Article XXXIV, section 1 of the California Constitution ("**Article XXXIV**") is not applicable to development that consists of the acquisition, rehabilitation, reconstruction, alterations work, new construction, or any combination thereof, of lodging facilities or dwelling units using moneys appropriated and disbursed pursuant to Chapter 6.6 (commencing with Section 50672) of Part 2 of Division 31 of the Health and Safety Code. (Health & Saf. Code, § 37001, subd. (h)(4).) As such, Article XXXIV is not applicable to California Housing Accelerator-funded Projects.

**10. Updated Information and Changes to the Project**

Sponsor shall provide the Department updated documentation for any change in the information previously provided relating to the California Housing Accelerator Loan, including updated sources and uses and income information. All changes shall be subject to Department approval. However, if the Project is changed in any way as to make it ineligible for California Housing Accelerator funding, then the California Housing Accelerator Loan commitment will be cancelled, and all California Housing Accelerator Loan funds awarded to the Sponsor shall be disencumbered.

**11. Prevailing Wages**

This Project is subject to California's prevailing wage law (Lab. Code, § 1720 et seq.). The Sponsor is urged to seek professional legal advice about the law's requirements. Prior to closing the Loan, the Department will require a certification of compliance with

California's prevailing wage law, as well as all applicable federal prevailing wage law. The certification must verify that prevailing wages have been or will be paid (if such payment is required by law), and that labor records will be maintained and made available to any enforcement agency upon request. The certification must be signed by the general contractor(s) and the Sponsor.

The U.S. Treasury issued its Coronavirus State and Local Fiscal Recovery Funds [CLFRF] – Final Rule as of July 27, 2022. In California, the Davis-Bacon Act requirements (prevailing wage rates) do not generally apply to projects funded solely with award funds from the CSFRF/CLFRF program. Recipients may be otherwise subject to the Davis-Bacon Act, when CSFRF/CLFRF award funds are used on a construction project in conjunction with funds from another federal program that requires enforcement of the Davis-Bacon Act. Additionally, California prevailing-wage-in-construction laws may apply to projects.

**12. Insurance**

The Sponsor shall obtain, and maintain for the term of the Loan, hazard and liability insurance for the Project in accordance with the Department's requirements, including flood insurance, if applicable. The Department shall be named as a loss payee or an additional insured on all such policies. Such policies must also provide for notice to the Department in the event of any lapse of coverage and in the event of any claim thereunder. Prior to disbursement of the California Housing Accelerator Loan, the Sponsor shall provide evidence satisfactory to the Department of compliance with these insurance requirements.

**13. California Housing Accelerator Loan Documents**

The Sponsor shall enter into this Agreement with the Department, which shall govern the encumbrance of the California Housing Accelerator Loan funds.

In addition, California Housing Accelerator terms, conditions, and restrictions will be expressly incorporated into the loan documents of the Existing HCD Loan Commitment.

The Department will append and incorporate a California Housing Accelerator exhibit into the Existing HCD Loan Commitment's loan regulatory agreement to be recorded on the property. The exhibit will set forth the Project's California Housing Accelerator-specific requirements, terms, and conditions. The exhibit will impose, for a 55-year period, the same income, occupancy, and rent restrictions that were represented in the Sponsor's most recent unsuccessful application to TCAC/CDLAC, and it will require the same



service amenities that were represented in that application. If the Sponsor did not apply to TCAC/CDLAC, then the exhibit will impose, for a 55-year period, the same income, occupancy, and rent restrictions required by the most recent Existing HCD Loan Commitment(s). If the most recent Existing HCD Loan Commitment was structured with unrestricted market rate units, then the California Housing Accelerator will not restrict or regulate those units. In all cases, the Department may expressly approve alternative California Housing Accelerator restrictions and required service amenities for the purpose of maintaining consistency with the Existing HCD Loan Commitment(s). The regulations, guidelines, and other terms of the Existing HCD Loan Commitment(s) shall govern the integrated regulatory agreement.

California Housing Accelerator requirements, terms, and conditions will also be incorporated into the promissory note and deed of trust of the Existing HCD Loan Commitment, as well as any other of the Existing HCD Loan Commitment's loan documents, as necessary and appropriate. All such documents will be executed and recorded, as appropriate, at permanent financing close of escrow. For Projects secured by leasehold security, leases must meet the requirements of UMR section 8316, and both the Borrower and the fee owner of the property must execute the Department's form template lease rider without modification. The lease rider amends the lease and must be recorded on the fee estate.

**14. Cross-Default**

A default under any other Department loan(s) or grant(s) to the Project will constitute a default under the California Housing Accelerator assistance. If such default continues beyond any applicable cure period, the Department will avail itself of any and all remedies.

**15. Restrictions on Transfer and Change of Ownership**

The Sponsor shall not, without the prior written approval of the Department:

- A. sell, transfer, convey, encumber, hypothecate or pledge any of the Project or the Project property, or any portion or interest in either of them;
- B. discharge or replace any general or managing partner if Sponsor is a partnership, or amend, modify or add to its partnership agreement except that the Sponsor may sell or transfer limited partnership interests without the Department's approval;
- C. if Sponsor is a limited liability company: change the manager(s), amend, modify or add to its operating agreement or management structure;

- D. wind up, liquidate or dissolve its affairs or enter into any transaction of merger or consolidation; or
- E. change the organizational structure of the Sponsor.

**16. Accessibility**

The Project shall comply with all state and federal accessibility requirements, including, without limitation, the specific requirements set forth in the Project Solicitation.

**17. Compliance with State and Federal Laws, Rules, Guidelines and Regulations**

The Sponsor agrees to comply with all state and federal laws, rules and regulations that pertain to construction, health and safety, labor, fair employment practices, equal opportunity, and all other matters applicable to the Project, the Sponsor, its contractors or subcontractors, and any Loan activity.

**18. Sponsor Representations**

- A. Sponsor represents and warrants that, as of the date of this Agreement, the Sponsor is a duly organized and validly existing entity under California law and the person signing this Agreement on behalf of Sponsor has the authority to act on behalf of and to bind the Sponsor in accordance with the terms of this Agreement.
- B. Sponsor represents and warrants that, as of the date of the Loan closing, the Borrower may be a duly organized and validly existing limited partnership under California law, and that such limited partnership will have the authority to participate in the California Housing Accelerator subject to all California Housing Accelerator Requirements.
- C. Sponsor further represents and warrants that, as of the date of the Loan closing, the person(s) executing the Loan documents will have full authority to act on behalf of and to bind the Sponsor in accordance with the terms of those documents.

**19. Survival of Obligations**

The obligations of the Sponsor as set forth in this Agreement shall survive the California Housing Accelerator Loan closing, and the Sponsor shall continue to cooperate with the Department and perform acts and provide documents as provided herein. The obligations

of this Agreement continue for the 55-year income, occupancy, and rent restrictions, or until the regulatory agreement is terminated.

**20. Severability and Litigation**

If any provision of this Agreement, or an underlying obligation, is held invalid by a court of competent jurisdiction, such invalidity, at the sole and absolute discretion of the Department, shall not affect any other provisions of this Agreement and the remainder of this Agreement shall remain in full force and effect. Therefore, the provisions of this Agreement are, and shall be, deemed severable. The Sponsor shall notify the Department immediately of any claim or action undertaken by or against it which affects or may affect this Agreement or the Department and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement and the interests of the Department.

**21. Obligations of Sponsor with Respect to Certain Third-Party Relationships**

The Sponsor shall remain fully obligated under the provisions of this Agreement notwithstanding its designation of any third party or parties for the undertaking of all or any part of the Project with respect to which assistance is being provided under this Agreement. The Sponsor shall comply with all lawful requirements of the Department necessary to ensure the completion, occupancy and use of the Project in accordance with this Agreement.

**22. Waivers**

No waiver of any breach of this Agreement shall be held to be a waiver of any prior or subsequent breach. The failure of the Department to enforce at any time the provisions of this Agreement or to require at any time performance by the Sponsor of these provisions shall in no way be construed to be a waiver of such provisions nor to affect the validity of this Agreement or the right of the Department to enforce these provisions.

**23. Retention, Inspection, and Audit of Records**

Sponsor is responsible for maintaining records which fully disclose the activities funded by the Loan. Sponsor shall retain all records for a minimum period of five (5) years after final payment under this Agreement, unless a longer retention period is stipulated. If any litigation, claim, negotiation, audit, monitoring, inspection or other action commences during this required retention period, all records must be retained until a full and final resolution of the action.

The Department, as well as its appointees, employees, agents, and delegates, shall have the right to review, obtain, and copy all records (electronic or otherwise) pertaining to performance under this Agreement. The U.S. Department of the Treasury and any authorized oversight body or representative, including, without limitation, the Treasury's Office of Inspector General, the Government Accountability Office, and the Pandemic Relief Accountability Committee, shall have the right of access to such records in order to conduct audits or other investigations. Sponsor shall provide any relevant information requested, and shall permit access to its premises, upon reasonable notice and during normal business hours, for the purpose of interviewing employees and inspecting and copying books, records, accounts, and other relevant material.

At any time during the term of this Agreement, the Department may perform or cause to be performed a financial audit of any and all phases of the Project. At the Department's request, the Sponsor shall provide, at its own expense, a financial audit prepared by a certified public accountant. The audit shall be performed by a qualified state, local, independent, or Department auditor. Where an independent auditor is engaged, the audit services agreement shall include a clause which permits the Department to have access to the independent auditor's relevant papers, records, and work product.

If there are audit findings, the Sponsor shall submit a detailed response to the Department for each audit finding. The Department will review the response. If the Department determines, in its sole and absolute discretion, that the response is satisfactory, the Department will conclude the audit process and notify the Sponsor in writing. If the Department determines, in its sole and absolute discretion, that the response is not satisfactory, the Department will contact the Sponsor, in writing, and explain the action required to cure any audit deficiencies. Such action could include the repayment of ineligible costs or other remediation.

If so directed by the Department upon the termination or expiration of this Agreement, the Sponsor shall deliver all records, accounts, documentation, and other materials that are relevant to this Agreement to the Department as depository.

#### **24. Sponsor Acknowledgment of the Pet Friendly Housing Act of 2017**

By executing this Agreement, Sponsor acknowledges that the Pet Friendly Housing Act of 2017 (Health & Saf. Code, § 50466) requires each housing development, if it is financed on or after January 1, 2018 pursuant to Division 31 of the Health and Safety Code, to authorize a resident of the housing development to own or otherwise maintain one or more common household pets within the resident's dwelling unit, subject to applicable state laws and local government ordinances related to public health, animal control, and

animal anticruelty. This law shall not be construed to limit or otherwise affect other statutes or laws that require reasonable accommodations to be made for an individual with a disability who maintains an animal to provide assistance, service, or support.

**25. Compliance with Title VI of the Civil Rights Act of 1964**

Sponsor and any of its contractors, subcontractors, successors, transferees, and assignees shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the U.S. Department of the Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this Agreement. Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the U.S. Department of the Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this Agreement.

**26. Nondiscrimination**

Statutes and regulations prohibiting discrimination are applicable to this Agreement and include, without limitation, the following:

- A. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.) and the U.S. Department of the Treasury's implementing regulations at 31 CFR Part 22;
- B. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.);
- C. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794);
- D. The Age Discrimination Act of 1975, as amended (42 U.S.C. § 6101 et seq.);
- E. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. § 12101 et seq.); and

- F. The State of California nondiscrimination statutes, regulations, and standards set forth and identified in the Project Solicitation and at Exhibit C of this Agreement.

The Sponsor shall adopt a written nondiscrimination policy requiring that no person shall, on the grounds of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, age, medical condition, genetic information, citizenship, primary language, immigration status (except where explicitly prohibited by federal law), arbitrary characteristics, and all other classes of individuals protected from discrimination under federal or state housing laws, individuals perceived to be a member of any of the preceding classes, or any individual or person associated with any of the preceding classes, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with California Housing Accelerator funds.

**27. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards**

This Agreement is subject to the administrative requirements, cost principles, and audit requirements for federal awards to non-federal entities, which are set forth at 2 Code of Federal Regulations part 200.

**28. Single Audit Requirements**

Sponsor is responsible for complying, as necessary, with the Single Audit Act and its implementing regulation at 2 Code of Federal Regulations part 200, subpart F regarding audit requirements.

**29. Developer Fee Limits**

Total developer fee for a Project shall not exceed the lesser of **(a)** \$2,200,000; **(b)** the sum of 15 percent of the Project's unadjusted residential construction-related eligible basis, 5 percent of the Project's unadjusted acquisition eligible basis, and 15 percent of the eligible basis for the Project's nonresidential costs; or **(c)** the amount approved by the Department as payable from development funding sources under the terms of the Existing HCD Loan Commitment.

**30. Restrictions on Continued Eligibility for Award**

If the Sponsor has a pending application with CDLAC and/or TCAC relative to the Project, and that application is thereafter recommended to receive bonds and/or tax credits, the California Housing Accelerator funds must be returned to the Department. If, after receiving an award of California Housing Accelerator funds, the Sponsor withdraws the awarded Project's pending application from CDLAC and/or TCAC, the Sponsor will no longer be eligible for that California Housing Accelerator funding.

**31. Future Tax Credit Applications and Syndicating Losses**

The Sponsor is prohibited from applying for or receiving a tax credit allocation on the Project for a period of 20 years from the California Housing Accelerator Loan closing date for that Project.

Post-award, if the Sponsor syndicates and sells a portion of its ownership interest to a partner or equivalent party seeking tax losses associated with the Project, nine-tenths of the gross proceeds of that sale shall be remitted to the Department as recaptured California Housing Accelerator funds.

**EXHIBIT E**

**PROJECT-SPECIFIC PROVISIONS AND SPECIAL TERMS AND CONDITIONS**

**1. PROJECT-SPECIFIC PROVISIONS**

**Unit Mix**

| Proposed Unit Mix (most restrictive from all programs) |            |                         |                    |                            |                |                        |                          |
|--|------------|-------------------------|--------------------|----------------------------|----------------|------------------------|--------------------------|
| 90   | 174        |                         | 0                  | 0                          | 0              | 89                     | 1                        |
| Total Units  | # of Bdmrs | Income limit (% of AMI) | Supportive Housing | Special Needs NOT Homeless | Homeless Units | Total Restricted Units | Total Unrestricted Units |
| 5  | 1          | 30%                     |                    |                            |                | 5                      |                          |
| 8  | 2          | 30%                     |                    |                            |                | 8                      |                          |
| 5  | 3          | 30%                     |                    |                            |                | 5                      |                          |
| 10   | 1          | 50%                     |                    |                            |                | 10                     |                          |
| 19   | 2          | 50%                     |                    |                            |                | 19                     |                          |
| 20   | 3          | 50%                     |                    |                            |                | 20                     |                          |
| 4  | 0          | 60%                     |                    |                            |                | 4                      |                          |
| 9  | 1          | 60%                     |                    |                            |                | 9                      |                          |
| 9  | 2          | 60%                     |                    |                            |                | 9                      |                          |
| 1  | 3          | Manager                 |                    |                            |                |                        | 1                        |

**A. Existing HCD Commitment(s).** This Project is subject to one or more Existing HCD Commitments, as specified below:

a. Infill Infrastructure Grant (IIG), 19-IIG-14391

**B. Disbursement and Eligible Use(s).** Pursuant to an award letter, dated September 6, 2022, the Sponsor is receiving California Housing Accelerator Loan funds in the amount of \$47,814,455.00. Sponsor will apply these funds towards the following Eligible Use(s):



a. New Construction

- C.** Project Narrative. Sunnydale HOPE SF Block 3B is a 90 unit new construction LF project with 4 studio, 24 one-bedroom, 36 two-bedroom, 25 three-bedroom serving households with incomes ranging from 30-60 percent of Area Median Income (AMI), 4 market rate unit(s) and 1 three-bedroom manager's unit(s).
- D.** Scope of Work. Each unit will have refrigerator, range, disposal, dishwasher. On-site amenities include 2 elevators, 4 laundry rooms with 8 washers and 8 dryers, community room, community kitchen, bike parking, and courtyard.
- E.** Sponsor Contract Coordinator 1.

|                                  |   |
|----------------------------------|---|
| Authorized Representative Name:  | Ramie Dare                                    |
| Authorized Representative Title: | Vice President                                |
| Entity Name:                     | Mercy Housing California                      |
| Address:                         | 1256 Market Street<br>San Francisco, CA 94102 |
| Telephone No.:                   | (415)-355-7118                                |
| E-Mail Address:                  | rdare@mercyhousing.org                        |

Sponsor Contract Coordinator 2

|                                  |  |
|----------------------------------|--|
| Authorized Representative Name:  | Eric D. Shaw   |
| Authorized Representative Title: | Director   |
| Entity Name:                     | Mayor's Office of Housing and<br>Community Development City and<br>County of San Francisco |
| Address:                         | 1 South van Ness Avenue, 5 <sup>th</sup> Floor<br>San Francisco, CA 94103                  |
| Telephone No.:                   | (415)-701-5500   |
| E-Mail Address:                  | eric.shaw@sfgov.org  |

**F. Additional Conditions Precedent to Disbursement.**

None.

**G. Budget Detail.**

See Accelerator Project Report.

**H. Performance Milestones.**

| <b>Performance Milestones</b>  | <b>Milestone Completion Date</b> |
|--|----------------------------------|
| Commencement of Construction Deadline  | March 5, 2023                    |
| Submit documentary evidence to the Department that construction commenced by the Commencement of Construction Deadline | April 6, 2023                    |
| Permanent Loan Conversion Deadline   | November 30, 2026                |

**I. Authorized Payee. The authorized payee(s) is/are as specified below:**

| <b>Name of Payee</b>                      | <b>Amount</b>   |
|---|-----------------|
| Sunnydale Block 3B Housing Partners, L.P. | \$47,814,455.00 |

**2. SPECIAL TERMS AND CONDITIONS**

The following Special Terms and Conditions are applicable to this Project and shall control notwithstanding anything to the contrary herein:

- A.** The final project report prepared for the Tier 2 Accelerator award (the “**Accelerator Project Report**”) is hereby incorporated by reference and constitutes part of this Agreement as if fully set forth in full herein.
- B.** Where there is a conflict in the factual information reflected in multiple project reports for the subject property, to the extent allowed by law, the Accelerator Project Report shall control for the Project, because it represents the most accurate and up-to-date information. If and when such a conflict arises, and to the extent allowed by law, conflicts shall be resolved in favor of the Accelerator Project Report information for the purposes of documenting capital stack, unit

mix, commencement and completion of construction and permanent closing deadlines, expressly excepting, however, any encumbrance and liquidation deadlines required by statute. Any other program-specific requirements or special conditions identified in final project reports from the Project's Existing HCD Commitments shall continue to be applicable, including, but not limited to, bedroom composition and number of units targeting tenant population(s) to be served.

DRAFT

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF STATE FINANCIAL ASSISTANCE**

2020 W. El Camino Avenue, Suite 670, 95833  
P.O. Box 952054  
Sacramento, CA 94252-2054  
(916) 263-2771  
[accelerator.hcd.ca.gov](http://accelerator.hcd.ca.gov)



September 6, 2022

Ramie Dare, Vice President  
Mercy Housing California  
1256 Market Street  
San Francisco, CA 94102

Eric D. Shaw, Director, Mayor's Office of Housing and Community Development  
City and County of San Francisco  
1 South Van Ness Avenue, 5<sup>th</sup> Floor  
San Francisco, CA 94103

Dear Ramie Dare and Eric D. Shaw:

**RE: Award Announcement – California Housing Accelerator  
Project Solicitation, Tier 2  
Mercy Housing California and City and County of San Francisco –  
*Sunnydale HOPE SF Block 3B*  
Contract No. 22-ACC-17499**

The California Department of Housing and Community Development (Department) is pleased to announce that Mercy Housing California and the City and County of San Francisco have been awarded California Housing Accelerator (Accelerator) Tier 2 funds in an amount up to \$47,814,455. These funds are made available through the Coronavirus State Fiscal Recovery Fund (CSFRF), established by the federal American Rescue Plan Act of 2021 (ARPA) (Public Law 117-2).

As stated in the February 28, 2022, and as amended May 5, 2022, Project Solicitation and Guidelines, construction of the project, meaning the first land-disturbing activity associated with a project, including land preparation such as clearing, grading, and filling, or the first alteration of any wall, ceiling, floor, or other structural part of a building, whether or not that alteration affects the external dimensions of the building, must commence within 180 days of the date of this letter, which constitutes notice of the designation of Accelerator funds for the Awardee. If the project is unable to commence construction by this date, funds may be disencumbered and the sponsor will forfeit its application fee. Additionally, the project must complete permanent loan conversion no later than November 30, 2026.

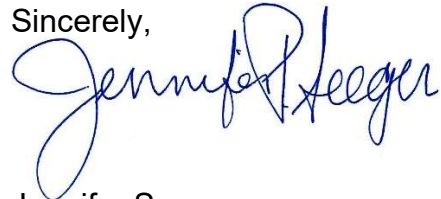
The Department intends to issue a Standard Agreement within 90 days of receipt of any outstanding documentation required to execute this contract. A program representative will be in communication with you within a week to confirm any additional documents needed to prepare the Standard Agreement.

Mercy Housing California and City and County of San Francisco –  
*Sunnydale HOPE SF Block 3B*  
Contract No. 22-ACC-17499  
August 30, 2022  
Page 2

If a Standard Agreement is needed prior to 90 days to facilitate a planned construction closing date, please notify program staff immediately. Please note that the Department reserves the right to reduce the loan amount prior to issuance of the Standard Agreement, should the Department determine there is a supplantation of previously approved public funds or the project is over-subsidized.

Congratulations on your successful application. We are excited to work with you on this new and innovative funding program. For further information, please contact Doniell Cummings, Accelerator Program Manager, Program Design and Implementation Branch, (916) 695-9006 or [Doniell.Cummings@hcd.ca.gov](mailto:Doniell.Cummings@hcd.ca.gov).

Sincerely,

A handwritten signature in blue ink that reads "Jennifer Seeger". The signature is fluid and cursive, with the first letter of each name being significantly larger and more stylized.

Jennifer Seeger  
Deputy Director  
Division of State Financial Assistance

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF STATE FINANCIAL ASSISTANCE**

2020 W. El Camino Avenue, Suite 670  
Sacramento, CA 95833  
(916) 263-2771  
[www.hcd.ca.gov](http://www.hcd.ca.gov)



February 28, 2022  
Amended May 5, 2022  
Amended August 31, 2022

**MEMORANDUM FOR:** HCD Pipeline Project Sponsors

**FROM:** Jennifer Seeger, Deputy Director  
Division of State Financial Assistance

**SUBJECT:** **California Housing Accelerator  
Tier 2 Project Solicitation and Program Guidelines**

The California Department of Housing and Community Development (Department or HCD) is announcing the availability of approximately \$1.05 billion in California Housing Accelerator Tier 2 funding for the purposes of supporting shovel-ready projects that, despite having an Existing HCD Loan Commitment from one or more HCD loan programs, are unable to move forward due to funding gaps that resulted from the current shortage of tax-exempt bond allocations and low-income housing tax credits. Funding for this NOFA is derived from approximately \$800 million from Coronavirus State Fiscal Recovery Fund (CSFRF) and approximately \$250 million from the State General Fund.

This Project Solicitation represents the second of two California Housing Accelerator solicitations. The first was limited to projects with prior HCD awards that had unsuccessfully applied for bonds and 4% tax credits. This current solicitation is open to a broader set of projects with HCD direct loan program awards, as detailed below in Section II.A of the Project Solicitation. Additionally, this Project Solicitation will be competitive and include specific regional allocation pools to ensure a broad geographic distribution of California Housing Accelerator funds. Please refer to Section II of the Project Solicitation for additional detail.

### **Background**

A substantial share of the funding for HCD projects has traditionally been provided by equity raised from the sale of low-income housing tax credits, especially 4% tax credits. Due to various factors, these tax credits are now in short supply, which has delayed shovel-ready projects with HCD program awards. The purpose of the California Housing Accelerator is to enable these projects to quickly begin construction.

Funding available under this Project Solicitation is derived from the Coronavirus State Fiscal Recovery Fund (CSFRF), established by the federal American Rescue Plan Act of 2021 (ARPA) (Public Law 117-2) as well as the State's General Fund. Through the 2021–22 and 22-23 California state budgets, funds have been allocated to this program. No bond sale or similar financial arrangements are involved. Federal funds have been transferred from the federal treasury to the State and are on deposit in a state account.

### **Eligibility**

Eligibility under this Project Solicitation is limited to projects that have an Existing HCD Loan Commitment of a direct loan from at least one of the specified HCD multifamily housing programs, and meet both of the following:

- listed tax-exempt bonds and 4% low-income housing tax credits as development sources in their HCD application(s) for the Existing HCD Loan Commitment, but have not received allocations of these resources, and
- provide evidence that, with a California Housing Accelerator award, the Project will be able to start construction within 180 days of award.

Please refer to Section II Program Requirements for complete information on eligible applicants and projects.

### **Application Submittal and Award Timeframes**

Tier 2 applications will be accepted via the Department's online application portal beginning March 8, 2022 and ending April 8, 2022.

All application materials for Tier 2 projects **must be submitted electronically** via the application portal on the Department's [website](#) no later than **4:00 p.m. Pacific Standard Time on April 8, 2022**. Specific submittal instructions will be included in the application form, which is expected to be available on the website no later than March 8, 2022. Personal deliveries will not be accepted. No facsimiles, late submittals, incomplete applications, application revisions, courier deliveries, or walk-in application packages will be accepted.

### **Webinar and Technical Assistance**

The Department will conduct an online application workshop. The California Housing Accelerator application and online workshop details will be posted on the Department's website at [accelerator.hcd.ca.gov](https://accelerator.hcd.ca.gov). If you have any questions, please email [accelerator@hcd.ca.gov](mailto:accelerator@hcd.ca.gov).

# California Housing Accelerator Tier 2

## Project Solicitation and Guidelines



**Lourdes M. Castro Ramírez, Secretary**  
**Business, Consumer Services and Housing Agency**

**Gustavo Velasquez, Director**  
**California Department of Housing and Community Development**

2020 West El Camino Avenue, Suite 150, Sacramento, CA 95833

Telephone: 916-263-2771

Website: [accelerator.hcd.ca.gov](https://accelerator.hcd.ca.gov)

Email: [accelerator@hcd.ca.gov](mailto:accelerator@hcd.ca.gov)

**February 28, 2022**

Amended August 31, 2022



**California Housing Accelerator – Tier 2**  
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**I. Overview**

**A. Funding Available**

The California Department of Housing and Community Development (Department or HCD) is announcing the availability of approximately \$1.05 billion for shovel-ready projects that, despite having received one or more program direct loan awards from HCD multifamily loan programs, are unable to move forward due to funding gaps resulting from the current shortage of tax-exempt bond allocations and low-income housing tax credits.

Funding available under this Project Solicitation is derived from the Coronavirus State Fiscal Recovery Fund (CSFRF), established by the federal American Rescue Plan Act of 2021 (ARPA) (Public Law 117-2) as well as the State’s General Fund. Through the 2021-22 and 22-23 California state budgets, funds have been allocated to this program.

**B. Tier 2 Timeline**

| Tier 2 Timeline   |                                 |
|---|---------------------------------|
| Project Solicitation Release                            | February 28, 2022               |
| Application Release                                     | On or before March 8, 2022      |
| Application Due Date                                    | April 8, 2022                   |
| Award Announcements                                     | August/September 2022           |
| Funds encumbered through an executed Standard Agreement | No later than June 30, 2024     |
| Permanent Loan Conversion                               | No later than November 30, 2026 |

**C. Authorizing Legislation and Applicable Law**

Assembly Bill No. 140 (Chapter 111, Statutes of 2021), which was signed by Governor Gavin Newsom on July 19, 2021, created the statutory basis for the California Housing Accelerator by adding Chapter 6.6 (commencing with Section 50672) to Part 2 of Division 31 of the Health and Safety Code (HSC).

HSC section 50672.3 states, “In order to expedite the development of qualified rental housing developments that are ready to proceed to construction except for obtaining tax credit or bond allocations from the California Tax Credit Allocation Committee and the California Debt Limit Allocation Committee, the Department may adopt guidelines to administer this chapter. Guidelines adopted pursuant to this chapter shall not be subject to the requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).”

This Project Solicitation serves as the Department's guidelines for administration of the California Housing Accelerator, Tier 2. As such, the Project Solicitation and guidelines (collectively, Project Solicitation) establishes the terms, conditions, forms, procedures, and other mechanisms that the Department deems necessary to exercise its powers and to perform its duties pursuant to the California Housing Accelerator. The matters set forth herein are regulatory mandates and are adopted as regulations that have the dignity of statutes. (*Ramirez v. Yosemite Water Company, Inc.* (1999) 20 Cal.4<sup>th</sup> 785, 799 [85 Cal.Rptr.2d 844].)

Any California Housing Accelerator awards will tie into the Existing HCD Loan Commitment. Therefore, the regulations, guidelines, and other terms of the Existing HCD Loan Commitment shall govern the Project's recorded regulatory agreement and other loan documents. California Housing Accelerator-specific terms, conditions, and restrictions will be expressly incorporated into the Existing HCD Loan Commitment's loan documents. California Housing Accelerator-specific terms and conditions will be memorialized in either a separate Standard Agreement or in the Standard Agreement for the Existing HCD Loan Commitment.

The Department will only amend this Project Solicitation as necessary and in accordance with the Department's guideline authority pursuant to HSC section 50672.3.

1. These guidelines have been amended to incorporate the applicable provisions outlined in the [May 5, 2022 omnibus guideline amendment](#).

## **II. Program Requirements**

### **A. Eligible Project**

To be eligible for a California Housing Accelerator Tier 2 award, the Project must have received an award letter from a multifamily housing loan program directly administered by the Department prior to April 8, 2022, and the award must not have expired, or been terminated, disencumbered, or otherwise held to be void.

1. Qualifying HCD funding programs include the following:
  - Affordable Housing and Sustainable Communities Program
  - Community Development Block Grant Program – Disaster Recovery
  - HOME Investment Partnerships Program
  - Housing for a Healthy California Program
  - Infill Incentive Grant Program of 2007 (with an Existing HCD Loan Commitment to a Qualifying Infill Project)
  - Infill Infrastructure Grant Program of 2019 (with an Existing HCD Loan Commitment to a Qualifying Infill Project)
  - Joe Serna, Jr. Farmworker Housing Grant Program
  - Multifamily Housing Program
  - National Housing Trust Fund

- No Place Like Home Program – competitive and non-competitive HCD-administered funds only
- Supportive Housing Multifamily Housing Program
- Transit-Oriented Development Implementation Program
- Veterans Housing and Homelessness Prevention Program

HCD assistance to a Qualifying Infill Area (QIA) under the Infill Incentive Grant Program of 2007 or the Infill Infrastructure Grant Program of 2019 does not, by itself, qualify a housing development within the QIA for California Housing Accelerator funding. Rather, a qualifying housing development within the QIA must meet the California Housing Accelerator’s definition of a Qualified Rental Housing Development.

No Place Like Home projects funded directly by Alternative Process Counties do not qualify for an award under the California Housing Accelerator, unless they have a program award from another qualifying HCD program.

Homekey funded projects do not qualify for an award under the California Housing Accelerator, unless they have a program award from another qualifying HCD program.

2. The application that resulted in HCD issuing an award letter for the Existing HCD Loan Commitment must have shown tax-exempt bonds and 4% low-income housing tax credits as development funding sources.
3. If the Sponsor subsequently requested, and the Department approved, a change from a 4% project to a 9% project resulting in a resizing of the Existing HCD Loan Commitment, then the Project is ineligible for California Housing Accelerator. This does not include projects which, for the sole purpose of applying for 2020 disaster credits on or after July 1, 2021, applied as a 9% project but which, due to the Department’s [Administrative Notice 21-005](#) issued on June 22, 2021, were allowed to maintain funding awarded as a 4% project.

## **B. Eligible Applicants**

All California Housing Accelerator applications must be submitted by and include all Sponsors in connection with the Existing HCD Loan Commitment.

### **C. Eligible Uses of Funds and Project Costs**

California Housing Accelerator funds shall be used only for expenses that would be categorized as project costs by the federal low-income housing tax credit program, including, but not limited to, commercial costs and reasonable reserves.

The Department reserves the right to disallow costs that do not constitute reasonable project costs, as determined by the Department in its sole and absolute discretion.

Additionally, HCD will not generally allow capitalized reserves in excess of those approved in connection with the Existing HCD Loan Commitment, nor local agency fees or payments that would only have been required if bonds were issued or that were not shown in the application for the Existing HCD Loan Commitment. HCD reserves the right, consistent with applicable law, to require prior written approval from HCD for all reserve withdrawals, whether the reserve was required by HCD or not.

### **D. Limits on financing and unit mix changes**

California Housing Accelerator funds are not intended to supplant local public agency funds. Accordingly, any local agency resources shown as committed in the applications for any Existing HCD Loan Commitments must be included in the financing proposed in the California Housing Accelerator application at the same or higher level of funding as previously identified. This includes sites provided at below market-rate cost as well as funds.

Similarly, California Housing Accelerator funds are not intended to supplant Performing Debt. The amount and terms of Performing Debt shown in the California Housing Accelerator application must generally remain the same or be higher and more restrictive than the amount and terms shown in previous HCD applications unless there are extenuating circumstances that are clearly explained in writing by the Applicant and agreed to in writing by HCD. Requests for reducing Performing Debt or the term of the Performing Debt will be reviewed on a case-by-case basis and are not a guaranteed approval. Reduced principal loan amounts of Performing Debt must include a corresponding reduced amount in the development budget.

The Department expects unit mixes (number of units at various AMI levels and bedroom counts) to remain substantially the same as shown in the most recent Department application or, if the project has an application which has been submitted to CDLAC/TCAC, the application submitted to the CDLAC/TCAC which was ultimately unsuccessful in securing a bond allocation.

## **E. Threshold application requirements**

1. Demonstrate readiness to commence construction within 180 days of award. Applicants shall provide a written certification in their application, in form and substance satisfactory to the Department, confirming site control, entitlements, approved site plans, environmental clearances, and complete financing. For the purposes of the California Housing Accelerator, “commencement of construction” means the first land-disturbing activity associated with a project, including land preparation such as clearing, grading, and filling or the first alteration of any wall, ceiling, floor, or other structural part of a building, whether or not that alteration affects the external dimensions of the building.
2. Compliance with the requirements specified in this Project Solicitation.
3. Submittal of a complete California Housing Accelerator application, using unaltered application forms and including all required attachments.
4. Each private entity Applicant shall submit an authorizing resolution that, in the Department’s reasonable determination, materially comports with the California Housing Accelerator requirements and is legally sufficient. In addition, each private entity Applicant shall submit a complete set of its organizational documents (and all amendments thereto).  
Please note that the Department will not approve a California Housing Accelerator Standard Agreement until it receives a complete set of authorizing and organizational documents from the Applicant, as specified. This set of documents shall also include, as applicable, a legally sufficient authorizing resolution from any public agency Applicant.

## **F. Funding Amounts and Terms**

### **1. Funds Available**

The maximum amount of California Housing Accelerator funds available under this Project Solicitation is approximately \$1.05 billion.

### **2. Geographic Allocations**

To ensure an equitable distribution of funds, the Department has established the following geographic allocation targets for Tier 2 funds. These allocations take into consideration the funds awarded in Tier 1. Those regions that were underrepresented in the distribution of Tier 1 funds have priority in the allocations for Tier 2.

| Region                      | Counties  | % of Tier 2 funds available | Tier 2 Target |
|-----------------------------|---|-----------------------------|---------------|
| Coastal Region              | Monterey, Orange, San Benito, San Diego, San Luis Obispo, Santa Barbara, Santa Cruz, Ventura              | 20%                         | \$160 million |
| Los Angeles City and County | Los Angeles   | 44%                         | \$352 million |
| Inland                      | Fresno, Imperial, Kern, Kings, Madera, Merced, Riverside, San Bernardino, San Joaquin, Stanislaus, Tulare | 21%                         | \$168 million |
| Unallocated                 | All counties  | 15%                         | \$120 million |

The remaining \$250 million of the \$1.05 billion available, along with any remaining unrequested funds in the regional pools outlined above will be used to fund the next highest scoring project regardless of location.

### 3. Application evaluation process

The application review process consists of three phases: 1) initial threshold review; 2) rating and ranking; and 3) project feasibility review. In the event of oversubscription, the Department may establish a preliminary point score and ranking, and applications ranked below a fundable range as indicated by the preliminary ranking will not be reviewed further.

Applications meeting threshold requirements will be rated in accordance with the criteria listed below and ranked in order of their point scores. Awards will be issued to the highest-ranking projects in each geographic region provided that they are determined to be feasible, and until the geographic targets specified in the previous section have been met. Any funds remaining after the geographic targets have been satisfied will be combined with the funds in the unallocated pool. Funding of the unallocated pool will then be based on the highest ranked remaining applications, without regard to location.

The Department reserves the right to adjust the amount awarded in each region to fully fund the lowest ranking fundable projects within each region to the extent possible.

### 4. Application rating factors

Tier 2 will be a competitive process for previously HCD-awarded 4% tax credit projects with regional allocations to ensure a broad geographic distribution of California Housing Accelerator funds. Projects will be rated based on four primary policy objectives as further defined below:

- Efficient use of California Housing Accelerator funds
  - Age of Existing HCD Loan Commitment(s) award
  - Targeting of special needs populations
  - Climate change mitigation
- a. Efficient use of California Housing Accelerator funds (40 points):** Points will be awarded to projects demonstrating ability to efficiently use California Housing Accelerator funds, as calculated in two ways:

- i. A maximum of 25 points will be based on requested California Housing Accelerator funds per unit. The project in each region with the lowest per-unit request for funds will receive 25 points. All other projects within each region will receive points calculated using the following formula:

$$\frac{\text{lowest per unit request per region}}{\text{Application per unit \$ request}} \times 25$$

- ii. A maximum of 15 points will be based on how closely the total requested California Housing Accelerator funds matches the equity estimate provided in the project's most recent HCD application, adjusted for inflation. Projects requesting California Housing Accelerator funds equal to or less than the equity projected in the most recent HCD application (adjusted for inflation using the West Region Consumer Price Index for All Urban Consumers (CPI-U)) will receive 15 points. Other projects will receive points calculated using the following formula:

$$1 / \left( \frac{\text{Accelerator Request}}{\text{Recent Equity} + \text{Inflation}} \right) \times 15$$

- b. HCD award date (20 points):** 20 Points will be awarded if the first HCD award to the project was issued before the process for allocating tax-exempt bonds became competitive in 2020.

- c. Homeless, Special Needs and Other Population Targeting (30 points max)**

- i. Homeless targeting: 0.3 points will be awarded for each percentage of total project units restricted to occupancy by households experiencing homelessness up to a maximum of 30 points for 100 percent homeless projects.

Units garnering points under this criterion must be restricted to occupancy by households experiencing homelessness by another HCD program or a local public agency. The HCD regulatory agreement recorded in connection with the California Housing Accelerator loan will also include these restrictions.



- ii. Large family, extremely low-income, and special needs targeting: 0.2 points will be awarded for each percentage of total project units that are not restricted to occupancy by households experiencing homelessness and are either:
- three or more bedrooms;
  - restricted to occupancy by Extremely Low-Income households, or
  - restricted to a special needs population other than persons experiencing homelessness.

Units may receive points under only one of the three categories listed in section 4.c.ii and only up to a maximum of 20 points.

Special needs populations are those recognized populations as defined under the current [Guidelines](#) of the Multifamily Housing Program. Units garnering points under this criterion must be restricted to the designated special needs population by an Existing HCD Loan Commitment or a local public agency. The HCD regulatory agreement recorded in connection with the Existing HCD Loan Commitment and the California Housing Accelerator loan will also include these restrictions.

- iii. Other Very Low-Income units: 0.1 points will be awarded for each percentage of total project units restricted to occupancy by Very Low-Income households that do not qualify for points under subparagraphs i or ii, above, up to a maximum of 10 points.

**d. Climate change mitigation (20 Points):** Points will be awarded to projects as follows:

- i. 20 points to projects that either:
- Are located within one-quarter ( $\frac{1}{4}$ ) mile from a Transit Station/Stop served by High Quality Transit measured from the nearest boarding point of the Transit Station/Stop to the entrance of the residential structure in the Project furthest from the Transit Station/Stop along a walkable route. The walkable route, after completion of the proposed Project, must be free of features or conditions that deter pedestrian circulation such as barriers; stretches without sidewalks or walking paths; noisy vehicular tunnels; streets, arterials, or highways without regulated crossings that facilitate pedestrian movement; long stretches without shade or cover; or stretches without lighted streets.

- ii. 10 points will be awarded to projects that:
- Are located within one-half (1/2) mile from a Transit Station/Stop served by High Quality Transit, measured from the nearest boarding point of the Transit Station/Stop to the entrance of the residential structure in the Project furthest from the Transit Station/Stop along a walkable route; or
  - received grant award(s) as a Qualifying Infill Project under the Infill Infrastructure Grant program; or
  - Are located within one-quarter mile of a Transit Station or Major Transit Stop, as defined by IIG Program Guidelines, measured by a Walkable Route from the nearest boundary of the Project to the outer boundary of the site of the Transit Station or Major Transit Stop.

For the purposes of this subparagraph d, Transit Station/Stop and High Quality Transit shall mean the same as those terms are defined in Appendix A of the most recent AHSC [Guidelines](#). Headway times in effect any time between January 2020 and the time of application may be used to qualify transit as High Quality Transit, where service has been temporarily reduced due to COVID-19.

## 5. Application Fee

Per HSC section 50672.2, subdivision (d)(1), the Department has established an application fee of \$40,000 per California Housing Accelerator application. This refundable fee aims to discourage project application submissions for projects that are not shovel-ready. This fee will be fully refunded if:

- the project is awarded California Housing Accelerator funds under this Project Solicitation and the project meets the California Housing Accelerator's 180-day deadline for commencement of construction, or
- the California Housing Accelerator application is withdrawn prior to award due to the receipt of gap funding to fully fund the project (e.g. bonds, tax credits, local funding, etc.), or
- the application successfully passed threshold, as determined by the Department in its sole and absolute discretion, but was ultimately not successful in securing a California Housing Accelerator award.

Since the California Housing Accelerator application fee is "refundable," it should not be included in the development budget.

Applicants shall provide the Department with a check made payable to "HCD" in the foregoing amount. Applications submitted without this fee will not be considered for review. All checks for application fees shall be sent to the address specified below:

## **6. Assistance Terms**

For all projects, California Housing Accelerator assistance will be in the form of forgivable loans, with terms of zero percent interest for 20 years, with no residual receipts or periodic payment requirements during the life of the California Housing Accelerator loan.

The loan will be forgiven by the Department at the end of the 20-year loan term as long as all of the following are true, as determined by the Department in its sole and absolute discretion:

- The Sponsor remains in good standing with the California Secretary of State;
- The Project is not in default under the terms of any of the Department's loan documents for that project; and
- Negative points have not been assessed against the Sponsor during the previous five (5) years in connection with any Department-assisted project.

The California Housing Accelerator loan shall be subject to repayment if, during the 20-year term, the Project is (1) converted to market-rate housing; or (2) sold or refinanced with a distribution of net equity.

California Housing Accelerator funds will be disbursed through escrow at the time of the Project's permanent financing conversion.

If a California Housing Accelerator Applicant is recommended for and receives bonds and/or tax credits by CDLAC and TCAC prior to the award of Accelerator funds, the California Housing Accelerator application will automatically be withdrawn.

## **7. Developer Fee Limits**

Total developer fee for a Project shall not exceed the lesser of (a) \$2,200,000; (b) the sum of 15 percent of the project's unadjusted residential construction-related eligible basis, 5 percent of the project's unadjusted acquisition eligible basis and 15 percent of the eligible basis for the project's nonresidential costs or (c) the amount approved by HCD as payable from development funding sources under the terms of the Existing HCD Loan Commitment.

## **8. Restrictions on Future Tax Credit Applications and Syndicating Losses**

All California Housing Accelerator awardees are prohibited from applying for or receiving a tax credit allocation on a California Housing Accelerator funded Project for a period of 20 years from the California Housing Accelerator loan closing date for that Project. This prohibition will be memorialized, as appropriate, in all California Housing Accelerator terms and conditions.

If, following a California Housing Accelerator application and award, a Sponsor syndicates and sells a portion of their ownership interest to a partner or equivalent party seeking tax losses associated with the project, nine-tenths of the gross proceeds of that sale shall be remitted to the Department as recaptured California Housing Accelerator funds.

## **9. Commencement of construction deadline**

All California Housing Accelerator awarded projects must commence construction no later than 180 days from the date of award. For the purposes of the California Housing Accelerator, commencement of construction means the first land-disturbing activity associated with a project, including land preparation such as clearing, grading, and filling, or the first alteration of any wall, ceiling, floor, or other structural part of a building, whether or not that alteration affects the external dimensions of the building. The Department may, in its sole and absolute discretion, extend this deadline due to conditions beyond the control of the Sponsor, for a period not to exceed 90 days.

Failure to meet the commencement of construction deadline, or any Department-approved extension, will result in the forfeiture of the application fee and the California Housing Accelerator award. Such failure will also cause the Department to assess negative points when scoring any future application by the Sponsor for Department funding, unless the Sponsor secures a CDLAC/TCAC allocation, and the California Housing Accelerator funds are disencumbered by the Department's deadline.

Within seven (7) months of award, the Sponsor shall submit documentary evidence to the Department that construction commenced within the statutory 180-day time period. If the Department extends the deadline for commencement of construction, as authorized, the Sponsor's deadline for submitting the foregoing documentary evidence shall be extended in the same increment as the extension for commencement of construction. Qualifying forms of documentary evidence include:

- Recordation of a notice of commencement;
- Date- and time-stamped photographs;
- Physical inspection report; or
- Other documentation subject to the approval of the Department.

Failure to submit qualifying documentary evidence within the specified timeframes may result in forfeiture of the application fee, forfeiture of the award, and/or an assessment of negative points relative to any future application for Department funding.

## **10. Legal documents**

### **a. Standard Agreement**

Upon the award of California Housing Accelerator funds to a project, the Department shall enter into one or more agreements with the Sponsor(s), including an STD 213, Standard Agreement, which shall encumber funds from the California Housing Accelerator program, subject to specified conditions. The agreement or agreements shall include, but not be limited to, the following provisions:

- i. A description of the approved Project and the permitted uses of funds;
- ii. The amount and terms of the California Housing Accelerator loan;
- iii. The income, occupancy, and rent restrictions to be imposed on the Project through a regulatory agreement recorded against the property of the Project;
- iv. Performance milestones, and other progress metrics, governing the completion of the Project, along with the remedies available to the Department in the event of a failure to meet such milestones or metrics;
- v. Special conditions imposed as part of the Department's approval of the Project;
- vi. Terms and conditions required by federal and state law;
- vii. Requirements for reporting to the Department;
- viii. Remedies available to the Department in the event of a violation, breach, or default of the agreement; and
- ix. Provisions regarding Sponsor liability. Specifically, the Sponsor will remain liable to the Department for compliance with and the performance of all California Housing Accelerator requirements regardless of any Department-approved transfer or assignment of interest. Likewise, each co-Sponsor will remain jointly and severally liable to the Department for compliance with and the performance of all California Housing Accelerator requirements regardless of any Department-approved transfer or assignment of interest.

The agreement will also include such other provisions as are necessary to ensure adherence to the objectives and requirements of the California Housing Accelerator.

**b. Regulatory restrictions and loan documentation**

- i. California Housing Accelerator terms, conditions, and restrictions will be expressly incorporated into the loan documents of the Existing HCD Loan Commitment.
- ii. The Department will append and incorporate a California Housing Accelerator exhibit into the Existing HCD Loan Commitment's loan regulatory agreement to be recorded on the property. The exhibit will set forth the project's California Housing Accelerator-specific requirements, terms, and conditions. The exhibit will impose, for a 55-year period, the same income, occupancy, and rent restrictions that were represented in the Sponsor's most recent unsuccessful application to TCAC/CDLAC, and it will require the same service amenities that were represented in that application. If the Sponsor did not apply to TCAC/CDLAC, then the exhibit will impose, for a 55-year period, the same income, occupancy, and rent restrictions as set forth in the most recent Existing HCD Loan Commitment(s). The regulations, guidelines, and other terms of the most recent Existing HCD Loan Commitment(s) shall govern the integrated regulatory agreement, except that California Housing Accelerator will regulate and restrict all units identified as affordable housing units to the same income, occupancy, and rent restrictions as set forth in the most recent Existing HCD Loan Commitment(s). If the most recent Existing HCD Loan Commitment was structured with market rate unrestricted units, then the California Housing Accelerator Program will not restrict or regulate those units. In all cases, the Department may expressly approve alternative California Housing Accelerator restrictions and required service amenities for the purpose of maintaining consistency with all Existing HCD Loan Commitments. The regulations, Guidelines, and other terms of the Existing HCD Loan Commitment shall govern the integrated regulatory agreement.
- iii. California Housing Accelerator requirements, terms, and conditions will also be incorporated into the promissory note and deed of trust of the Existing HCD Loan Commitment, as well as any other of the Existing HCD Loan Commitment's loan documents, as necessary and appropriate. All such documents will be executed and recorded, as appropriate, at permanent financing close of escrow. For projects secured by leasehold security, leases must meet the requirements of UMR §8316, and both the borrower and the fee owner of the property must execute the Department's form template lease rider without modification. The lease rider amends the lease and must be recorded on the fee estate.

- iv. Cross-Default. If, in connection with the California Housing Accelerator-funded Project, the Sponsor defaults in the performance or observance of any Department loan term, condition, or restriction during the term of any Department contract or regulatory period, and such default continues beyond any cure period provided with respect thereto, the Department will avail itself of any and all remedies available to it under any and all Department terms, conditions, restrictions, and agreements relative to the Project, to include those of the Existing HCD Loan Commitment.

## **11. Reporting Requirements**

In addition to the reports required in connection with the Existing HCD Loan Commitment, the Sponsor shall annually submit a report that details and certifies to the Department the following:

- a. Project met all terms and conditions recorded in its regulatory agreement and any Department covenants;
- b. No change in ownership or amendments to the organizational documents of the project has occurred during the reporting period;
- c. No tax credits, tax-exempt bond funds, or federal grants or loans with interest rates below the applicable federal rate have been used in the project since it was placed-in-service;
- d. Services specified in the regulatory agreement were provided to the tenants during the reporting period; and
- e. the Project met all the terms and conditions, and is not currently in default, of any lender financing to the Project.

The Department may add additional reporting requirements to meet federal outcome and output reporting requirements associated with SFRF funds.

In addition, the Sponsor shall report data on the households occupying the Project, including information on rents charged and project income and expenses, and shall provide information sufficient to determine whether any cash flow limitation in the Department's regulatory agreement has been met.

Sponsor shall also submit such other periodic reports as deemed necessary by the Department to monitor compliance with the regulatory agreement and all California Housing Accelerator requirements. Such reports include, without limitation, a schedule of rental income, in form and substance satisfactory to the Department. Sponsor shall also duly submit all information required by the U.S. Department of the Treasury, which administers the federal funds allocated to the California Housing Accelerator.

## **12. Defaults and Cancellations**

In the event of a breach or violation by the Sponsor, the Department may give written notice to the Sponsor to cure the breach or violation. If the breach or violation is not cured to the satisfaction of the Department within a reasonable time period, the Department, at its option, may declare a default under the relevant document and may seek legal remedies for the default including the following:

- a. The Department may seek, in a court of competent jurisdiction, an order for specific performance of the defaulted obligation, the appointment of a receiver to complete the project in accordance with California Housing Accelerator requirements, or the commencement of foreclosure proceedings under the power of the sale clause in the deed of trust; and
- b. The Department may seek such other remedies as may be available under the relevant agreement, at law, or in equity.

## **III. Other State and Federal Requirements**

### **A. Article XXXIV**

Article XXXIV, section 1 of the California Constitution (Article XXXIV) is not applicable to development that consists of the acquisition, rehabilitation, reconstruction, alterations work, new construction, or any combination thereof, of lodging facilities or dwelling units using moneys appropriated and disbursed pursuant to Chapter 6.6 (commencing with Section 50672) of Part 2 of Division 31 of the HSC. (HSC, § 37001, subd. (h)(4).) As such, Article XXXIV is not applicable to California Housing Accelerator-funded projects.

### **B. Prevailing Wages**

Applicant's contemplated use of California Housing Accelerator funds is subject to California's prevailing wage law (Lab. Code, § 1720 et seq.). Applicants are urged to seek professional legal advice about the law's requirements. Prior to disbursing the California Housing Accelerator funds, the Department will require a certification of compliance with California's prevailing wage law, as well as all applicable federal prevailing wage law. The certification must verify that prevailing wages have been or will be paid (if such payment is required by law), and that labor records will be maintained and made available to any enforcement agency upon request. The certification must be signed by the general contractor(s) and all Project Sponsors.

### **C. Environmental Review**

Guidance by the U.S. Department of the Treasury indicates that an environmental review under the National Environmental Policy Act (NEPA) is not required as a result of California Housing Accelerator funding. However, California Housing Accelerator projects may still be subject to NEPA review if they are also funded by other federal financial assistance programs.



The California Environmental Quality Act (CEQA) is still applicable to any award made under this program.

#### **D. Relocation**

Sponsor must comply with all applicable federal, state, and local relocation law. Pursuant to relocation law, a Sponsor must have a relocation plan prior to proceeding with any phase of a project or other activity that will result in the displacement of persons, businesses, or farm operations. To ensure that displaced persons or entities do not suffer a disproportionate impact as a result of projects, which benefit the public, all notices to vacate and relocation services must be provided to them in accordance with applicable law. In addition, before the California Housing Accelerator Standard Agreement will be executed, Sponsor must have either: (1) a Department-approved relocation plan; or (2) a Department-issued Certification Regarding Non-Application of Relocation Benefits and Indemnification Agreement, which has been duly executed and approved by the Department. The Department will identify its submittal requirements for these relocation documents in the California Housing Accelerator application materials. Where the Sponsor's activities will or may result in displacement, the Sponsor's development budget shall include enough funds to pay all costs of relocation benefits and assistance. Any modifications to the foregoing process requirements must be approved in advance by the Department in writing.

#### **E. Accessibility and Non-Discrimination**

All projects must adhere to the accessibility requirements set forth in California Building Code (CBC) Chapter 11A and 11B, except as follows:

1. Instead of the minimum requirements established in CBC 11B 233.3.1.1 and 11B 233.3.1.3, all new construction projects must provide a minimum of fifteen percent (15%) of the restricted units with mobility features, as defined in CBC 11B 809.2 through 11B 809.4, and a minimum of ten percent (10%) of the restricted units with communications features, as defined in CBC 11B 809.5.
2. Rehabilitation projects shall provide a minimum of ten percent (10%) of the restricted units with mobility features, as defined in CBC 11B 809.2 through 11B 809.4, and four percent (4%) with communications features, as defined in CBC 11B 809.5. The Department may approve a waiver of this requirement, provided that the Applicant and architect demonstrate that full compliance would be impractical or create an undue financial burden. All waivers must be approved in advance by the Department in writing.
3. At least one of each common area facility type and amenity, as well as paths of travel between accessible units and such facilities and amenities, the building entry and public right of way, and the leasing office or area shall also be made accessible utilizing CBC Chapter 11(B) as a design standard.

Projects must also comply with the Americans with Disabilities Act of 1990 (ADA), Title II, and either the Uniform Federal Accessibility Standards (UFAS), Code of Federal Regulations (CFR) 24 CFR Part 8, or the U.S. Department of Housing and Urban Development's (HUD) modified version of the 2010 ADA Standards for Accessible Design (Alternative 2010 ADAS), HUD-2014-0042-0001, the Federal Register (FR) 79 FR 29671 (5/27/14) (commonly referred to as "the Alternative Standards" or "HUD Deeming Memo"). Accessible units shall, to the maximum extent feasible and subject to reasonable health and safety requirements, be distributed throughout the Project and be available in a sufficient range of sizes and amenities consistent with 24 CFR Part 8.26.

Sponsors shall adopt a written non-discrimination policy requiring that no person shall, on the grounds of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, age, medical condition, genetic information, citizenship, primary language, immigration status (except where explicitly prohibited by federal law), arbitrary characteristics, and all other classes of individuals protected from discrimination under federal or state fair housing laws, individuals perceived to be a member of any of the preceding classes, or any individual or person associated with any of the preceding classes be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with program funds made available pursuant to this Project Solicitation.

Sponsors shall comply with all applicable state and federal law, including, without limitation, the requirements of Title VI of the Civil Rights Act of 1964 (42 U.S.C. §2000d et seq.); the Americans with Disabilities Act of 1990; the Fair Housing Act; the Fair Housing Amendments Act of 1988; the California Fair Employment and Housing Act; the Unruh Civil Rights Act; Government Code section 11135; Section 504 of the Rehabilitation Act of 1973; and all regulations promulgated pursuant to those statutes (including 24 C.F.R. § 100, 24 C.F.R. § 8, and 28 C.F.R. § 35).

## **F. Insurance Requirements**

The Sponsor shall obtain, and maintain for the term of the loan, hazard, and liability insurance for the Project in accordance with the Department's requirements, including flood insurance, if applicable. The Department must be named as a loss payee or an additional insured on all such policies. Such policies must also provide for notice to the Department in the event of any lapse of coverage and in the event of any claim thereunder. Prior to disbursement of the California Housing Accelerator loan, the Sponsor shall provide evidence satisfactory to the Department of compliance with these insurance requirements.

#### **IV. Appeals**

##### **A. Basis of appeals**

1. Applicants may appeal the Department's written determination that an application is incomplete, has failed threshold review, or has otherwise been determined to provide an insufficient basis for an award.
2. No Applicant shall have the right to appeal a decision of the Department relating to another Applicant's application (e.g., eligibility, award).
3. The appeal process provided herein applies solely to decisions of the Department made pursuant to this Project Solicitation.

##### **B. Appeal process and deadlines**

1. **Process.** To file an appeal, Applicants must submit to the Department a written appeal, which sets forth all relevant facts, arguments, and evidence in support of the appeal. Appeals are to be submitted to the Department at [accelerator@hcd.ca.gov](mailto:accelerator@hcd.ca.gov).
2. **Filing Deadline.** Appeals must be received by the Department no later than five (5) business days from the date of the Department's written determination regarding the subject application.
3. **Decision.** The requirements of this Project Solicitation and all other applicable law will govern the Department's determination. All decisions rendered shall be final, binding, and conclusive, and shall constitute the final action of the Department.

#### **V. Award announcements and contracts**

##### **A. Award announcements**

The Department intends to announce awards no later than **August/September 2022**.

##### **B. Disclosure of Application**

The application is a public record and is subject to disclosure pursuant to the California Public Records Act (CPRA) (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code). After final California Housing Accelerator awards have been issued under this Project Solicitation, the Department may disclose any materials provided by the Applicant to any person making a request under the CPRA. The Department cautions Applicants to use discretion in providing information not specifically requested, including, but not limited to, bank account numbers, personal phone numbers, and home addresses. By volunteering such information to the Department, the Applicant is waiving any claim of confidentiality and consents to the disclosure of submitted material upon request.

## **VI. Other Terms and Conditions**

### **A. Conflicts**

In the event of any conflict between the terms of this Project Solicitation and applicable state or federal law, the terms of the applicable state or federal law shall control. By submitting a California Housing Accelerator application to the Department, Applicants acknowledge that they have read and obtained legal advice regarding this Project Solicitation and all applicable state and federal laws, and that they fully understand the requirements thereof.

## **VII. Definitions**

Below are the definitions for purposes of the California Housing Accelerator:

"Applicant" means the entity or entities applying to the Department for California Housing Accelerator funding of their Qualified Rental Housing Development. Such entity or entities must also be the Sponsor of the Qualified Rental Housing Development. Upon receiving an award of California Housing Accelerator funds, the Applicant or co-Applicants will, both individually and collectively, be referred to as the "Sponsor" for purposes of this Project Solicitation.

"Area Median Income" means the most recent applicable county median family income, adjusted by household size, published by the California Tax Credit Allocation Committee.

"Department" or "HCD" means the California Department of Housing and Community Development.

"Existing HCD Loan Commitment" means the existing direct commitment of Department multifamily loan program funds to the Qualified Rental Housing Development, as well as the Department program making that commitment.

"Extremely Low Income" means individual households with either 1) household incomes at or below 30 percent of the Area Median Income, or 2) household incomes at or below the threshold designated as extremely low income by the Department's State Income Limits adopted pursuant to HSC section 50093.

"Performing Debt" refers to non-government, long-term (or permanent) financing of a Rental Housing Development intended to generate a profit for a private or non-profit lender requiring ongoing mandatory debt service payments.

"Permanent Loan Conversion" means the Project has leased up to a minimum of 90 percent occupancy for a period of a minimum of 30 days in accordance with the applicable Department funding requirements; the units have been leased to the appropriate or designated populations identified, and they have met the terms and conditions of all Department funding awarded to the Project; and all construction period financing has converted to permanent financing.

“Project” or “Rental Housing Development” means the following: (i) a “qualified low-income housing project,” as defined in Section 42(g) of the Internal Revenue Code (26 U.S.C. § 42(g)); or (ii) a Qualifying Infill Project, as defined under the Infill Incentive Grant Program of 2007 or the Infill Infrastructure Grant Program of 2019, that meets the requirements of those programs.

“Qualified Rental Housing Development” is defined in accordance with HSC section 50672.1, subdivision (e), and means a Rental Housing Development that received an award letter from any multifamily housing program administered by the Department.

“Sponsor” is defined in accordance with HSC sections 50675.2 and 50669. The Sponsor may comprise one or more entities. Any and all entities in the Sponsor structure shall, in their individual and collective capacity as the “Sponsor,” be bound by the California Housing Accelerator Standard Agreement and each and every one of the California Housing Accelerator terms, conditions, and restrictions.

“UMR” means the Uniform Multifamily Regulations (Cal. Code Regs., tit. 25, § 8300 et seq.), effective November 15, 2017, and as subsequently amended.

“Very Low Income” means individual households with either 1) household incomes at or below 50 percent of the Area Median Income, or 2) household incomes at or below the threshold designated as extremely low income by the Department’s State Income Limits adopted pursuant to HSC section 50093.

1 [Development Agreement - Sunnydale Development Co., LLC - Sunnydale HOPE SF Project]

2  
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**  
5 **Sunnydale Development Co., LLC, for the Sunnydale HOPE SF Project at the**  
6 **approximately 50-acre site located in Visitacion Valley and generally bounded by**  
7 **McLaren Park to the north, Crocker Amazon Park to the west, Hahn Street to the east,**  
8 **and Velasco to the south; confirming the Development Agreement's compliance with,**  
9 **or waiving certain provisions of, Administrative Code, Chapters 14B, 29, and 56;**  
10 **approving the use of impact fees and exactions for improvements and other**  
11 **community benefits, as set forth in the Development Agreement, and waiving any**  
12 **conflicting fee provisions in Planning Code, Article 4; ratifying past actions taken in**  
13 **connection with the Development Agreement; authorizing further actions taken**  
14 **consistent with the Ordinance; making findings under the California Environmental**  
15 **Quality Act; and making findings of conformity with the General Plan, and with the**  
16 **eight priority policies of Planning Code, Section 101.1.**

17  
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  
26 Be it ordained by the People of the City and County of San Francisco:

27  
28 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 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 Sunnydale HOPE SF project (the "Project"), which is located in Visitacion  
16 Valley, is generally bounded by McLaren Park to the north, Crocker Amazon Park on the  
17 west, Hahn Street to the east, and Velasco Avenue to the south.

18 (e) The Housing Authority of the City and County of San Francisco owns and  
19 operates 775 units of public housing on the approximately 50-acre site, known as Sunnydale-  
20 Valasco.

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 Sunnydale HOPE SF master plan consists of  
2 a maximum of 1,770 units, of which 775 are replacement units for existing Sunnydale-Velasco  
3 households and approximately 200 are additional affordable housing units. There are also up  
4 to 730 units that will be for market rate homeownership or rental. The master plan includes all  
5 new streets and utility infrastructure, 3.6 acres of new open spaces, and approximately 60,000  
6 square feet of new neighborhood serving spaces.

7 (g) Sunnydale Development Co., LLC (the "Developer") filed an application with the  
8 City's Planning Department for approval of a development agreement relating to the Project  
9 Site (the "Development Agreement") under Chapter 56. A copy of the Development  
10 Agreement is on file with the Clerk of the Board of Supervisors in File No. 161164 and is  
11 incorporated herein by reference.

12 (h) This ordinance is companion legislation to other ordinances relating to the  
13 Sunnydale 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. 161162, 161163, and 161309.

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. 161309 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. 161164.

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 shall prevail,

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

10 (1) The Project comprises nearly 50 acres and is the type of large multi-phase and/or  
11 mixed-use development contemplated by the City Administrative Code and therefore is  
12 deemed to satisfy the provisions of Chapter 56, Section 56.3(g).

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

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

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

22 Section 5. Planning Code Fee Waiver.

23 The Board of Supervisors approves the use of the Impact Fees and Exactions for  
24 improvements and community benefits, as set forth in Exhibit H to the Development  
25

1 Agreement, and waives or overrides any provision in Article 4 of the Planning Code that would  
2 conflict with uses of these funds as described in the Development Agreement.

3 Section 6. Administrative Code Chapter 56 Waiver.

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

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

9 All actions taken by City officials in preparing and submitting the Development  
10 Agreement to the Board of Supervisors for review and consideration are hereby ratified and  
11 confirmed, and the Board of Supervisors hereby authorizes all subsequent action to be taken  
12 by City officials regarding the Development Agreement consistent with this ordinance.

13 Section 8. Effective and Operative Date.

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

18 (b) This Ordinance shall become operative only on the later of (a) the effective date of  
19 this ordinance, or (b) the last occurring effective date among the companion ordinances  
20 identified in Section 1(h) of this ordinance. Copies of said Ordinances are on file with the  
21 Clerk of the Board of Supervisors in File No. 161162, 161163, and 161309. No rights or duties  
22 are created

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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: 161164

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 Sunnydale Development Co., LLC, for the Sunnydale HOPE SF Project at the approximately 50-acre site located in Visitacion Valley and generally bounded by McLaren Park to the north, Crocker Amazon Park to the west, Hahn Street to the east, and Velasco to the south; 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 the 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.

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. 161164

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.

[Signature]
Angela Calvillo
Clerk of the Board

[Signature]
Mayor

2/01/17
Date Approved

1 [General Plan Amendments - Sunnydale HOPE SF Project]

2  
3 **Ordinance amending the General Plan in connection with the Sunnydale HOPE SF**  
4 **project; adopting findings under the California Environmental Quality Act; making**  
5 **findings of consistency with the General Plan as proposed for amendment, and the**  
6 **eight priority policies of Planning Code, Section 101.1; and adopting findings of public**  
7 **necessity, convenience, and welfare under Planning Code, Section 340.**

8 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
9 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
10 **Deletions to Codes** are in ~~italics Times New Roman font~~.  
11 **Board amendment additions** are in double-underlined Arial font.  
12 **Board amendment deletions** are in ~~Arial font~~.  
13 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
14 subsections or parts of tables.

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

16 Section 1. Findings.

17 (a) HOPE SF is the nation's first large-scale public housing transformation  
18 collaborative aimed at disrupting intergenerational poverty, reducing social isolation, and  
19 creating vibrant mixed-income communities without mass displacement of current  
20 residents. Launched in 2007, HOPE SF is a twenty-year human and real estate capital  
21 commitment by the City. HOPE SF, the City's signature anti-poverty and equity initiative, is  
22 committed to breaking intergenerational patterns related to the insidious impacts of trauma  
23 and poverty, and to creating economic and social opportunities for current public housing  
24 residents through deep investments in education, economic mobility, health, and safety. The  
25 Sunnydale HOPE SF Project (the "Project") will help realize and further the City's HOPE SF  
goals.

1 (b) The Project, which is located in Visitacion Valley, is generally bounded by McLaren  
2 Park to the north, Crocker Amazon Park to the west, Hahn Street to the east, and Velasco  
3 Avenue to the south.

4 (c) The San Francisco Housing Authority owns and operates Sunnydale-Velasco  
5 housing project comprised of 775 units of public housing located on the approximately 50-acre  
6 site of the Project.

7 (d) The Project is a mixed-use, mixed-income development with several components:  
8 (1) construction of the public infrastructure to support the Project; (2) development of private,  
9 mixed-use affordable housing on affordable parcels in accordance with an affordable housing  
10 plan; (3) development of private, mixed-use residential projects on market rate parcels; and  
11 (4) development of community improvements (e.g., open space areas, community facilities)  
12 throughout the Project. The Sunnydale HOPE master plan consists of a maximum of 1,700  
13 units, of which 775 are replacement units for existing Sunnydale-Velasco households and 200  
14 are additional affordable housing units. There are also up to 694 units that will be for market  
15 rate homeownership. The master plan includes new streets and utility infrastructure, 3.5  
16 acres of new open spaces, and approximately 60,000 square feet of new neighborhood  
17 serving spaces.

18 (e) This ordinance is companion legislation to other ordinances relating to the Project,  
19 including Planning Code amendments, Zoning Map amendments, and a Development  
20 Agreement adoption.

21 (f) On July 9, 2015, in Motion No. 19409, the Planning Commission certified as  
22 adequate and complete the Sunnydale-Velasco HOPE SF Master Plan Project Environmental  
23 Impact Report/Environmental Impact Statement (Planning Case No. 2010.0305E) in  
24 accordance with the California Environmental Quality Act (California Public Resources Code  
25

1 Sections 21000 et seq.) and Administrative Code Chapter 31. Said Motion is on file with the  
2 Clerk of the Board of Supervisors in File No. 161309 and is incorporated herein by reference.

3 (g) On November 17, 2016, in Motion No. 19784, the Planning Commission adopted  
4 findings under the California Environmental Quality Act ("CEQA Findings") related to the  
5 actions contemplated in this ordinance. The Board adopts these CEQA Findings as its own.  
6 Said Motion and the CEQA Findings are on file with the Clerk of the Board of Supervisors in  
7 File No. 161309 and are incorporated herein by reference.

8 (h) On September 15, 2016, in Resolution No. 19738, the Planning Commission  
9 initiated the actions contemplated in this ordinance. Said Motion is on file with the Clerk of the  
10 Board of Supervisors in File No. 161309.

11 (i) On November 17, 2016, in Resolution No. 19786, the Planning Commission  
12 adopted findings that the actions contemplated in this ordinance are consistent, on balance,  
13 with the City's General Plan as proposed for amendment and eight priority policies of Planning  
14 Code Section 101.1. The Board adopts these findings as its own. A copy of said Resolution  
15 is on file with the Clerk of the Board of Supervisors in File No. 161309, and is incorporated  
16 herein by reference.

17 (j) In this same Resolution, the Planning Commission, in accordance with Planning  
18 Code Section 340, determined that this ordinance serves the public necessity, convenience,  
19 and general welfare. The Board of Supervisors adopts as its own these findings.

20  
21 Section 2. The General Plan is hereby amended by revising the Recreation and Open  
22 Space Element and the Urban Design Elements as follows:

23 **Recreation and Open Space Element**  
24  
25




1 Map 03 – Existing and Proposed Open Space. Insert indications of new parks within  
2 the Sunnydale HOPE SF boundaries pursuant to the Sunnydale HOPE SF Design Standards  
3 and Guidelines Document.

4 **Urban Design**

5 Map 4 - Urban Design Guidelines for Height of Buildings. Add shading representative  
6 of 41-88 feet height range to the boundaries of the Sunnydale HOPE SF site.

7  
8 Section 3. Effective Date. This ordinance shall become effective 30 days after  
9 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
10 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
11 of Supervisors overrides the Mayor’s veto of the ordinance.

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14 APPROVED AS TO FORM:  
15 DENNIS J. HERRERA, City Attorney

16 By:   
17 Robb W. Kapla  
Deputy City Attorney

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**City and County of San Francisco**  
**Tails**  
**Ordinance**

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

**File Number:** 161309

**Date Passed:** January 31, 2017

Ordinance amending the General Plan in connection with the Sunnydale HOPE SF project; adopting findings under the California Environmental Quality Act; making findings of consistency with the General Plan as proposed for amendment, and the eight priority policies of Planning Code, Section 101.1; and adopting findings of public necessity, convenience, and welfare under Planning Code, Section 340.

January 09, 2017 Land Use and Transportation 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. 161309

**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.**

**Angela Calvillo**  
**Clerk of the Board**

**Mayor**

2/3/2017

**Date Approved**



## San Francisco Ethics Commission

25 Van Ness Avenue, Suite 220, San Francisco, CA 94102

Phone: 415.252.3100 . Fax: 415.252.3112

[ethics.commission@sfgov.org](mailto:ethics.commission@sfgov.org) . [www.sfethics.org](http://www.sfethics.org)

Received On:

File #: 230059

Bid/RFP #:

### Notification of Contract Approval

SFEC Form 126(f)4

(S.F. Campaign and Governmental Conduct Code § 1.126(f)4)

A Public Document

Each City elective officer who approves a contract that has a total anticipated or actual value of \$100,000 or more must file this form with the Ethics Commission within five business days of approval by: (a) the City elective officer, (b) any board on which the City elective officer serves, or (c) the board of any state agency on which an appointee of the City elective officer serves. For more information, see: <https://sfethics.org/compliance/city-officers/contract-approval-city-officers>

#### 1. FILING INFORMATION

|   |   |
|---|---|
| <b>TYPE OF FILING</b>                                       | <b>DATE OF ORIGINAL FILING (for amendment only)</b> |
| Original  |   |
| <b>AMENDMENT DESCRIPTION – Explain reason for amendment</b> |   |
|   |   |

#### 2. CITY ELECTIVE OFFICE OR BOARD

|                        |                                      |
|------------------------|--------------------------------------|
| <b>OFFICE OR BOARD</b> | <b>NAME OF CITY ELECTIVE OFFICER</b> |
| Board of Supervisors   | Members                              |

#### 3. FILER'S CONTACT

|                                  |                                |
|----------------------------------|--------------------------------|
| <b>NAME OF FILER'S CONTACT</b>   | <b>TELEPHONE NUMBER</b>        |
| Angela Calvillo                  | 415-554-5184                   |
| <b>FULL DEPARTMENT NAME</b>      | <b>EMAIL</b>                   |
| office of the clerk of the Board | Board.of.Supervisors@sfgov.org |

#### 4. CONTRACTING DEPARTMENT CONTACT

|  |  |
|--|--|
| <b>NAME OF DEPARTMENTAL CONTACT</b>        | <b>DEPARTMENT CONTACT TELEPHONE NUMBER</b> |
| Ryan vanZuylen                             | 408-504-4966                               |
| <b>FULL DEPARTMENT NAME</b>                | <b>DEPARTMENT CONTACT EMAIL</b>            |
| MYR Mayor's Office of Housing & Comm. Dev. | ryan.vanzuylen@sfgov.org                   |

| 5. CONTRACTOR  |   |
|--|---|
| <b>NAME OF CONTRACTOR</b><br>Sunnydale Block 3B Housing Partners, L.P.                                       | <b>TELEPHONE NUMBER</b><br>415-653-3167 |
| <b>STREET ADDRESS (including City, State and Zip Code)</b><br>18201 Von Karmen Ave, STE 900, Irvine CA 92612 | <b>EMAIL</b><br>tnguyen@related.com     |

| 6. CONTRACT   |                                |  |
|---|--------------------------------|--|
| <b>DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)</b>   | <b>ORIGINAL BID/RFP NUMBER</b> | <b>FILE NUMBER (If applicable)</b><br>230059 |
| <b>DESCRIPTION OF AMOUNT OF CONTRACT</b><br>\$47,814,455  |                                |  |
| <b>NATURE OF THE CONTRACT (Please describe)</b><br>Resolution for the CA HCD Housing Accelerator Program for a loan of \$47,814,455 for the construction of Sunnydale Block 3B, a 90-unit affordable housing development. |                                |  |

| 7. COMMENTS |
|-------------|
|             |

| 8. CONTRACT APPROVAL                |  |
|-------------------------------------|--|
| This contract was approved by:      |  |
| <input type="checkbox"/>            | THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM   |
| <input checked="" type="checkbox"/> | A BOARD ON WHICH THE CITY ELECTIVE OFFICER(S) SERVES<br>Board of Supervisors                                   |
| <input type="checkbox"/>            | THE BOARD OF A STATE AGENCY ON WHICH AN APPOINTEE OF THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM SITS |

**9. AFFILIATES AND SUBCONTRACTORS**

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

| #  | LAST NAME/ENTITY/SUBCONTRACTOR | FIRST NAME | TYPE                    |
|----|--------------------------------|------------|-------------------------|
| 1  | Shoemaker                      | Doug       | Other Principal Officer |
| 2  | Dolin                          | Jennifer   | Board of Directors      |
| 3  | Agostino                       | Val        | Board of Directors      |
| 4  | Ciraulo                        | Rich       | Board of Directors      |
| 5  | Clayton                        | Melissa    | Board of Directors      |
| 6  | Dare                           | Ramie      | Other Principal Officer |
| 7  | Daues                          | Stephan    | Board of Directors      |
| 8  | Graf                           | Jane       | Board of Directors      |
| 9  | Gualco                         | Barbara    | Board of Directors      |
| 10 | Holder                         | Ed         | Board of Directors      |
| 11 | Jivan                          | Sheela     | Board of Directors      |
| 12 | Saab                           | Bruce      | Board of Directors      |
| 13 | Spears                         | Steve      | Board of Directors      |
| 14 | Sprauge                        | Rick       | Board of Directors      |
| 15 | Villablanca                    | Erika      | Board of Directors      |
| 16 | Dodds                          | Vince      | Board of Directors      |
| 17 | Rosenblum                      | Joseph     | Board of Directors      |
| 18 | Bayley                         | Amy        | Board of Directors      |
| 19 | Cardone                        | Frank      | Board of Directors      |

**9. AFFILIATES AND SUBCONTRACTORS**

List the names of (A) members of the contractor’s board of directors; (B) the contractor’s principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

| #  | LAST NAME/ENTITY/SUBCONTRACTOR | FIRST NAME | TYPE                    |
|----|--------------------------------|------------|-------------------------|
| 20 | witte                          | william    | Board of Directors      |
| 21 | Silverberg                     | Ann        | Other Principal Officer |
| 22 | Sherman                        | Steve      | Board of Directors      |
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**9. AFFILIATES AND SUBCONTRACTORS**

List the names of (A) members of the contractor’s board of directors; (B) the contractor’s principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

| #                        | LAST NAME/ENTITY/SUBCONTRACTOR  | FIRST NAME | TYPE |
|--------------------------|---|------------|------|
| 39                       |   |            |      |
| 40                       |   |            |      |
| 41                       |   |            |      |
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| 47                       |   |            |      |
| 48                       |   |            |      |
| 49                       |   |            |      |
| 50                       |   |            |      |
| <input type="checkbox"/> | Check this box if you need to include additional names. Please submit a separate form with complete information. Select "Supplemental" for filing type. |            |      |

**10. VERIFICATION**

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information I have provided here is true and complete.

**I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.**

|   |                           |
|---|---------------------------|
| <p><b>SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK</b></p><br><br><p>BOS Clerk of the Board</p> | <p><b>DATE SIGNED</b></p> |
|---|---------------------------|

**From:** [Conine-Nakano, Susanna \(MYR\)](#)  
**To:** [BOS Legislation, \(BOS\)](#)  
**Cc:** [Paulino, Tom \(MYR\)](#); [Nickolopoulos, Sheila \(MYR\)](#); [Vanzuylen, Ryan \(MYR\)](#); [Baca, Robert \(MYR\)](#); [Gluckstein, Lisa \(MYR\)](#); [Gee, Natalie \(BOS\)](#); [Geithman, Kyra \(MYR\)](#)  
**Subject:** Mayor -- Resolution -- Sunnydale 3B Accelerator Standard Agreement  
**Date:** Tuesday, January 24, 2023 4:40:55 PM  
**Attachments:** [Mayor -- Resolution -- Sunnydale 3B Accelerator Standard Agreement.zip](#)

---

Hello Clerks,

Attached for introduction to the Board of Supervisors is a Resolution authorizing the Mayor's Office of Housing and Community Development on behalf of the City and County of San Francisco to execute a Standard Agreement and other related documents with the State of California Department of Housing and Community Development ("HCD") under the California Housing Accelerator Program which Standard Agreement includes an award of \$47,814,455 as a loan to Sunnydale Block 3B Housing Partners, L.P. ("Developer"), as sole borrower, for construction of a development affordable to low- and moderate-income families at Sunnydale Block 3B, located at 1555 Sunnydale Avenue for a term of five years to commence upon execution of the Standard Agreement by HCD.

Please note that Supervisor Walton is a co-sponsor of this legislation.

Best,  
Susanna

Susanna Conine-Nakano  
Office of Mayor London N. Breed  
City & County of San Francisco  
1 Dr. Carlton B. Goodlett Place, Room 200  
San Francisco, CA 94102  
415-554-6147