

1 [Standard Agreements, Accept and Expend Grant - California Department of Housing and
2 Community Development Affordable Housing and Sustainable Communities Program - 500
3 Turk Street Project - \$20,000,000]

4 **Resolution authorizing the Mayor’s Office of Housing and Community Development**
5 **(MOHCD) to execute the Standard Agreements with the California Department of**
6 **Housing and Community Development (HCD) under the Affordable Housing and**
7 **Sustainable Communities Program for a total award of \$20,000,000 including**
8 **\$13,700,000 disbursed by HCD as a loan to Turk 500 Associates L.P. for a 100%**
9 **affordable housing project at 500 Turk Street and \$6,300,000 to be disbursed as a grant**
10 **to the City public transportation improvements near 500 Turk Street, for the period**
11 **starting on the execution date of the Standard Agreements through June 30, 2039; and**
12 **authorizing MOHCD to accept and expend a grant of \$6,300,000 for transportation,**
13 **bicycle, and pedestrian improvements, and other transit oriented programming and**
14 **improvements approved by HCD.**

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16 WHEREAS, The State of California, the Strategic Growth Council (“SGC”) and the
17 Department of Housing and Community Development (“Department”) issued a Notice of
18 Funding Availability (“NOFA”) dated November 1, 2018, under the Affordable Housing and
19 Sustainable Communities (“AHSC”) Program established under Division 44, Part 1 of the
20 Public Resources Code commencing with Section 75200; and

21 WHEREAS, The SGC is authorized to approve funding allocations for the AHSC
22 Program, subject to the terms and conditions of the NOFA, AHSC Program Guidelines
23 adopted by SGC on October 29, 2018 (“Program Guidelines”), an application package
24 released by the Department for the AHSC Program (“Application Package”), and an AHSC
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1 standard agreement with the State of California (“Standard Agreement”), the Department is
2 authorized to administer the approved funding allocations of the AHSC Program; and

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

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

10 WHEREAS, Turk 500 Associates L.P., a California limited partnership (“Developer”),
11 requested that the City and County of San Francisco (the “City”), acting by and through
12 Mayor’s Office of Housing and Community Development (MOHCD), be a joint applicant for
13 AHSC Program funds for its project located at 500 Turk Street consisting of new construction
14 of an eight-story, mixed-use development for use as a 100% affordable housing project with
15 107 affordable dwelling units, one manager’s unit, ground floor retail, residential common
16 spaces that include residential services and common usable space (the “500 Turk Project”);
17 and

18 WHEREAS, The San Francisco Municipal Transportation Agency (“SFMTA”) plans to
19 perform transportation, bicycle and pedestrian improvements in the vicinity of the 500 Turk
20 Project (the “SFMTA Work”); and

21 WHEREAS, On March 29, 2018, per Motion No. 20148, the Planning Commission
22 certified a Final Environmental Impact Report, pursuant to California Environmental Quality
23 Act (“CEQA”) Guidelines 15183.3 and California Public Resources Code, Section 21094.5;
24 and

1 WHEREAS, The Board of Supervisors authorized MOHCD to apply for AHSC Program
2 funds and submit an Application Package as a joint applicant with the Developer through
3 Resolution No. 38-19; and

4 WHEREAS, SFMTA and MOHCD entered into a Memorandum of Understanding to
5 make commitments on behalf of the City for the Application Package; and

6 WHEREAS, Through an award letter dated July 8, 2019, the Department made an
7 award in the total amount of \$20,000,000 which includes \$13,700,000 to be disbursed by
8 HCD as a loan to the Developer for the 500 Turk Project, and \$6,300,000 to be disbursed as a
9 grant to the City for the SFMTA Work and other transit-oriented programming and
10 improvements approved by HCD; and

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

12 WHEREAS, The Board of Supervisors authorized and approved of a long-term ground
13 lease for the property located at 500 Turk Street and a loan of up to \$32,400,000 for the 500
14 Turk Project on file with the Clerk of the Board of Supervisors in File No. 191265; now,
15 therefore, be it

16 RESOLVED, That the Board of Supervisors approves and authorizes the MOHCD to
17 enter into the Standard Agreements with the Department, substantially in the form on file with
18 the Clerk of the Board of Supervisors in File No. 200094, with terms and conditions that AHSC
19 Program funds are to be used for allowable capital asset project expenditures identified in
20 Exhibit A; and, be it

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

23 FURTHER RESOLVED, That the Board of Supervisors hereby waives inclusion of
24 indirect costs in the grant budget; and, be it

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

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

10 FURTHER RESOLVED, That within thirty (30) days of the Standard Agreements being
11 fully executed by all parties, the Director of MOHCD shall provide copies to the Clerk of the
12 Board of Supervisors for inclusion in the official file.

1 Recommended:

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3 Dan Adams, Acting Director

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5 Approved:

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7 London N. Breed, Mayor

Ben Rosenfield, Controller

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