

1 [Execute Standard Agreements - Accept and Expend Grant - California Department of
2 Housing and Community Development Affordable Housing and Sustainable Communities
3 Program - 1939 Market Street - \$47,579,100]

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 \$47,579,100 including**
8 **\$35,000,000 disbursed by HCD as a loan to Mercy Housing California 109, L.P. for a**
9 **100% affordable housing project at 1939 Market Street and \$12,579,100 to be disbursed**
10 **as a grant to the City for public transportation improvements near 1939 Market Street,**
11 **for the period starting on the execution date of the Standard Agreement through**
12 **December 10, 2080; and authorizing MOHCD to accept and expend the grant of up to**
13 **\$12,579,100 for transportation, streetscape and pedestrian improvements and other**
14 **transit oriented programming and improvement as approved by HCD.**

15
16 WHEREAS, The State of California, the Strategic Growth Council (“SGC”) and the
17 Department of Housing and Community Development (“HCD”) issued a Notice of
18 Funding Availability (“NOFA”) dated March 25, 2025, under the Affordable Housing and
19 Sustainable Communities (“AHSC”) Program established under Division 44, Part 1 of the
20 Public Resources Code commencing with Section 75200; and

21 WHEREAS, The SGC is authorized to approve funding allocations for the AHSC
22 Program, subject to the terms and conditions of the NOFA, AHSC Program Guidelines
23 adopted by SGC on February 26, 2025 (“Program Guidelines”), an application package
24 released by HCD for the AHSC Program (“Application Package”), and an AHSC standard
25

1 agreement with the State of California (“Standard Agreement”), HCD is authorized to
2 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 create new affordable housing and achieve greenhouse gas reductions and
6 benefit disadvantaged communities through increased accessibility to affordable housing,
7 employment centers and key 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, Mercy Housing California 109, L.P., a California limited partnership
11 (“Developer”), requested that the City and County of San Francisco (the “City”), acting by and
12 through the Mayor’s Office of Housing and Community Development (“MOHCD”), be a joint
13 applicant for AHSC Program funds for Developer’s affordable housing project located at 1939
14 Market Street consisting of the new construction of a 185-units of affordable multifamily rental
15 housing to low-income households and 2 manager units (the “Project”) identified as 1939
16 Market St; and

17 WHEREAS, The San Francisco Department of Public Works (“SFDPW”) plans to
18 create approximately 2,000 feet of safe and accessible walkway improvements, new ADA
19 curb ramps, traffic signals, street lights, bulbouts, 0.95 lane miles of parking protected Class
20 IV context sensitive bike lanes, landscaping and other streetscape improvements (“SFDPW
21 Work”); and

22 WHEREAS, SFDPW and MOHCD will enter into a Memorandum of Understanding to
23 make commitments related to the SFDPW Work as included in the Application package; and

24 WHEREAS, The San Francisco Municipal Transportation Agency (“SFMTA”) plans to
25 construct permanent Class IV context sensitive bikeways along 1.29 miles of street segments

1 on 8th Street from Stevenson to Mission; 13th Street from 11th to Bernice; and Polk Street
2 from McAllister to Pine and from Cedar to Eddy by converting existing Class IV Quick Build
3 infrastructure to permanent Class IV. SFMTA will install transit signal priority (TSP) software
4 and hardware at 45 intersections along Fillmore St, between O'Farrell and Haight; McAllister
5 St, between Broderick and Charles Brenham Pl; Mission St, between 11th and 25th streets;
6 Church St, between 14th and 16th streets; and 16th Street, between Dolores and Guerrero;
7 make TSP upgrades that will improve transit service along six bus routes: the 5 Fulton, 5R
8 Fulton Rapid, 14 Mission, 14R Mission Rapid, 22 Fillmore, and 49 Van Ness-Mission to
9 improve travel speed and increase reliability leading to increased ridership along all routes.
10 SFMTA also plans to upgrade stop lighting at four locations along the 5/5R, 22, and
11 14/14R/49 routes to improve safety and rider comfort using pole-mounted solar lights. SFMTA
12 plans to install new or upgraded Transit Signal Priority hardware and software along all
13 signals for three lane miles along McAllister Street, for over three lane miles along Fillmore,
14 Church, and 16th Streets, and for over three lane miles along Mission Street ("SFMTA Work");
15 and

16 WHEREAS, SFMTA and MOHCD will enter into a Memorandum of Understanding to
17 make commitments related to the SFMTA Work as included in the Application package; and

18 WHEREAS, On May 31, 2023, by Notice of Final Approval of an SB 35 Project, the
19 Planning Department determined that the development of the Property with an 187-unit
20 affordable housing development and a ground floor commercial space, met all the standards
21 of the Planning Code and would be eligible for ministerial approval under California
22 Government Code, Section 65913.4 (Senate Bill 35) and the CEQA Guidelines,
23 Sections 15002(i)(1), 15268, and 15369, and would therefore not be subject to the California
24 Environmental Quality Act; said CEQA determination is on file with the Clerk of the Board of
25 Supervisors in File No. 260183 and is incorporated herein by reference; and

1 WHEREAS, The grant budget includes a provision for indirect costs of up to
2 \$1,886,865; and

3 WHEREAS, The grant does not require an ASO amendment; and

4 WHEREAS, Through a Conditional Award Commitment and Acceptance of Terms and
5 Conditions award letter dated December 10, 2025, HCD made an award in the total amount of
6 \$47,579,100, which includes \$35,000,000 to be disbursed by HCD as a loan to the Developer
7 for the Project, and up to \$12,579,100 to be disbursed as a grant to the City for the SFMTA
8 Work, SFDPW Work, and other transit-oriented programming and improvements approved by
9 HCD, subject to the terms and conditions of the STD 213, Standard Agreement (“Standard
10 Agreement”), a copy of which is on file with the Clerk of the Board of Supervisors in File
11 No. 260183; now, therefore, be it

12 RESOLVED, That the Board of Supervisors approves and authorizes the MOHCD to
13 enter into the Standard Agreement with HCD, with terms and conditions that AHSC Program
14 funds are to be used for allowable capital asset project expenditures identified in Exhibit A;
15 and, be it

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

18 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
19 MOHCD (or his designee) to execute and deliver any documents in the name of the City that
20 are necessary, appropriate or advisable to accept and expend the AHSC Program funds from
21 HCD, and all amendments thereto, and complete the transactions contemplated herein and to
22 use the funds for eligible capital asset(s) in the manner presented in the application as
23 approved by HCD and in accordance with the NOFA and Program Guidelines and Application
24 Package; and, be it

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

3 FURTHER RESOLVED, That within thirty (30) days of the Standard Agreement being
4 fully executed by all parties, MOHCD shall provide the final agreement to the Clerk of the
5 Board for inclusion into the official file.

6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

1 Recommended:

2

3 /s/
Daniel Adams, Director
4 Mayor's Office of Housing and Community Development

5

6 Approved:

7

8 /s/ Sophie Kittler
Daniel Lurie, Mayor

/s/ Jocelyn Quintos for
Greg Wagner, Controller

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25