

FILE NO. 181221

RESOLUTION NO.

1 [Apply for Grant - Turk 500 Associates, L.P. - Assumption of Liability - Department of Housing
2 and Community Development Affordable Housing and Sustainable Communities Program -
3 500 Turk Street Project]

4 **Resolution authorizing the Mayor’s Office of Housing and Community Development on**
5 **behalf of the City and County of San Francisco to execute a grant application, as**
6 **defined herein, under the Department of Housing and Community Development**
7 **Affordable Housing and Sustainable Communities ("AHSC") Program as a joint**
8 **applicant with Turk 500 Associates, L.P., a California limited partnership, for the project**
9 **at 500 Turk Street; authorizing the City to assume any joint and several liability for**
10 **completion of the projects required by the terms of any grant awarded under the AHSC**
11 **Program; and adopting findings under the California Environmental Quality Act**
12 **("CEQA"), the CEQA Guidelines, and Administrative Code, Chapter 31.**

13
14 WHEREAS, The State of California, the Strategic Growth Council (“SGC”) and the
15 Department of Housing and Community Development (“Department”) has issued a Notice of
16 Funding Availability (“NOFA”) dated November 1, 2018, under the Affordable Housing and
17 Sustainable Communities (“AHSC”) Program established under Division 44, Part 1 of the
18 Public Resources Code commencing with Section 75200; and

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

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

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

8 WHEREAS, Turk 500 Associates, L.P., (“Developer”), a California limited partnership,
9 comprised of the Tenderloin Neighborhood Development Corporation, has requested the City
10 and County of San Francisco (the “City”), acting by and through the Mayor’s Office of Housing
11 and Community Development (“MOHCD”), to be a joint applicant for its project located at 500
12 Turk Street (the “500 Turk Street Project”); and

13 WHEREAS, On January 9, 2017, the Developer filed an Environmental Evaluation
14 Application with the Planning Department for new construction of an eight-story, mixed-use
15 development for use as a 100-percent affordable housing project with 107 affordable dwelling
16 units, one manager’s unit, ground floor retail, residential common spaces that include
17 residential services and common usable space for 500 Turk Street; and

18 WHEREAS, On March 29, 2018, per Motion No. 20148, the Planning Commission
19 certified a Final Environmental Impact Report, pursuant to CEQA Guidelines 15183.3 and
20 California Public Resources Code Section 21094.5; and

21 WHEREAS, The San Francisco Municipal Transportation Agency (“SFMTA”) plans to
22 perform transportation, bicycle and pedestrian improvements in the vicinity of the Project (the
23 “SFMTA Work”); and

1 WHEREAS, The City acting by and through MOHCD desires to apply for AHSC
2 Program funds and submit an Application Package as a joint applicant with the Developer;
3 and

4 WHEREAS, SFMTA and MOHCD and Developer will enter into a Memorandum of
5 Understanding to make such commitments on behalf of the City for the Application Package;
6 now, therefore, be it

7 RESOLVED, That the Board of Supervisors delegates to MOHCD, on behalf of the
8 City, the authority to execute an application to the AHSC Program as detailed in the NOFA
9 dated November 1, 2018, for Round 4, in a total amount not to exceed Twenty Million Dollars
10 (\$20,000,000) of which up to Thirteen Million Seven Hundred Thousand Dollars (\$13,700,000)
11 is requested as a loan for an Affordable Housing Development (AHD) (“AHSC Loan”) and up
12 to Six Million Three Hundred Thousand Dollars (\$6,300,000) is requested for a grant for
13 Housing-Related Infrastructure (HRI), Sustainable Transportation Infrastructure (STI), Transit-
14 Related Amenities (TRA) or Program (PGM) activities (“AHSC Grant”) as defined in the AHSC
15 Program Guidelines and sign AHSC Program documents; and, be it

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

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

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

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

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RECOMMENDED:

Kate Hartley, Director, Mayor's Office of Housing and Community Development