

1 [Accept and Expend Grant - California Department of Housing and Community Development
2 Affordable Housing and Sustainable Communities Program - 850 Turk Street - \$31,971,048]

3 **Resolution authorizing the Mayor’s Office of Housing and Community Development**
4 **(MOHCD) to execute the Standard Agreements with the California Department of**
5 **Housing and Community Development (HCD) under the Affordable Housing and**
6 **Sustainable Communities Program for a total award of \$31,971,048 including**
7 **\$22,000,000 disbursed by HCD as a loan to the MP Turk Street Associates, L.P. for a**
8 **100% affordable housing project at 850 Turk Street and \$9,971,048 to be disbursed as a**
9 **grant to the City for public transportation improvements near 850 Turk Street, for the**
10 **period starting on the execution date of the Standard Agreements to November 30,**
11 **2043; and authorizing MOHCD to accept and expend the grant of up to \$9,971,048 for**
12 **transportation, streetscape and pedestrian improvements, and other transit oriented**
13 **programming and improvement as approved by HCD.**

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15 WHEREAS, The State of California, the Strategic Growth Council (“SGC”) and the
16 Department of Housing and Community Development (“Department”) issued a Notice of
17 Funding Availability (“NOFA”) dated January 30, 2023, as amended March 15, 2023, under
18 the Affordable Housing and Sustainable Communities (“AHSC”) Program established under
19 Division 44, Part 1 of the Public Resources Code commencing with Section 75200; and

20 WHEREAS, The SGC is authorized to approve funding allocations for the AHSC
21 Program, subject to the terms and conditions of the NOFA, AHSC Program Guidelines
22 adopted by SGC on December 15, 2022, (“Program Guidelines”), an application package
23 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 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, On January 15, 2019, Governor Gavin Newsom signed Executive Order
11 No. N-06-19, which allows the production of Affordable housing on state-owned Excess Sites
12 (“Excess Sites”). The Executive Order authorizes the Department of General Services
13 (“DGS”) and the Department to identify and prioritize Excess Sites for sustainable, cost-
14 effective, and innovative affordable housing projects; and

15 WHEREAS, The State of California owns that certain property located at 850 Turk
16 Street in San Francisco, which has been declared an Excess Site for affordable housing; and

17 WHEREAS, MP Turk Associates, L.P., a California limited partnership (“Borrower” or
18 “Developer”), requested that the City and County of San Francisco (the “City”), acting by and
19 through Mayor’s Office of Housing and Community Development (“MOHCD”), be a joint
20 applicant for AHSC Program funds for its project located at 850 Turk Street consisting of new
21 construction of a 92-unit 100% affordable multifamily rental housing development affordable to
22 low-income households (the “Project”) identified as 850 Turk Street (“850 Turk Street”); and

23 WHEREAS, The San Francisco Municipal Transportation Agency (“SFMTA”) plans to
24 perform transportation infrastructure improvements to advance Better Market Street consisting
25 of targeted improvements to traffic signals, upgrades to Traffic Signal Priority, improved

1 bicycle safety infrastructure, and other transit related amenities approved by the Department
2 (the “SFMTA Work”); and

3 WHEREAS, On April 8, 2022, by Notice of Exemption, the California Department of
4 General Services by SCH Number 2022040213 determined that the development of the
5 Project met all the standards of the Class 32 “Infill” Categorical Exemption (CEQA Guideline
6 Section 15332) and the California Public Resources Code 21000 et seq., and would therefore
7 not be subject to the California Environmental Quality Act (“CEQA”); a copy of the Notice of
8 Exemption is on file with the Clerk of the Board of Supervisors in File No. 240021, and is
9 incorporated herein by reference; and

10 WHEREAS, The grant budget includes a provision for indirect costs of up to
11 \$1,495,657.20; and

12 WHEREAS, Through an award letter dated September 1, 2023, the Department made
13 an award in the total amount of \$31,971,048, which includes \$22,000,000 to be disbursed by
14 HCD as a loan to the Developer for the Project, and up to \$9,971,048 to be disbursed as a
15 grant to the City for the SFMTA Work and other transit-oriented programming and
16 improvements approved by HCD, subject to the terms and conditions of the STD 213,
17 Standard Agreement (“Standard Agreement”), a copy of which is on file with the Clerk of the
18 Board of Supervisors in File No. 240021; now, therefore, be it

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

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

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 Agreement being
11 fully executed by all parties, MOHCD shall provide the final agreement to the Clerk of the
12 Board for inclusion into the official file.

1 Recommended:

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/s/

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

5 Approved:
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7 /s/

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London N. Breed, Mayor

/s/

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Ben Rosenfield, Controller

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