

1 [Accept and Expend Grant - California Department of Housing and Community Development -  
2 Affordable Housing and Sustainable Communities Program - Balboa Reservoir Building E-  
3 \$29,585,486]

4 **Resolution authorizing the Mayor's Office of Housing and Community Development**  
5 **("MOHCD") to execute the Standard Agreement 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 \$29,585,486 including**  
8 **\$19,610,404 disbursed by HCD as a loan to the Balboa Lee Avenue, L.P. for a 100%**  
9 **affordable housing project at 11 Frida Kahlo, also identified as Balboa Reservoir**  
10 **Building E, and \$9,975,082 to be disbursed as a grant to the City for public**  
11 **transportation improvements near 11 Frida Kahlo, for the period starting on the**  
12 **execution date of the Standard Agreements through November 30, 2042; and**  
13 **authorizing MOHCD to accept and expend the grant of up to \$9,975,082 for**  
14 **transportation, streetscape and pedestrian improvements and other transit oriented**  
15 **programming and improvement as approved by HCD.**

16  
17 WHEREAS, The State of California, the Strategic Growth Council ("SGC") and the  
18 California Department of Housing and Community Development ("HCD") issued a Notice of  
19 Funding Availability ("NOFA") dated February 26, 2021, as amended October 14, 2021, under  
20 the Affordable Housing and Sustainable Communities ("AHSC") Program established under  
21 Division 44, Part 1 of the Public Resources Code commencing with Section 75200; and

22 WHEREAS, The SGC is authorized to approve funding allocations for the AHSC  
23 Program, subject to the terms and conditions of the NOFA, AHSC Program Guidelines  
24 adopted by SGC on February 24, 2021 ("Program Guidelines"), an application package  
25

1 released by HCD for the AHSC Program (“Application Package”), and AHSC STD 213 and  
2 STD 215 standard agreements with the State of California (“Standard Agreements”), and HCD  
3 is authorized to administer the approved funding allocations of the AHSC Program; and

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

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

11 WHEREAS, Balboa Lee Avenue, L.P., a California limited partnership (“Developer”),  
12 requested that the City and County of San Francisco (the “City”), acting by and through  
13 Mayor’s Office of Housing and Community Development (“MOHCD”), be a joint applicant for  
14 AHSC Program funds for its project located at 11 Frida Kahlo Way consisting of new  
15 construction of a 128-unit 100% affordable multifamily rental housing development affordable  
16 to low-income households (the “Project”) identified as Balboa Reservoir Building E ( “Balboa  
17 Reservoir Building E”); and

18 WHEREAS, In order to be highly competitive for the AHSC funds, the Developer and  
19 MOHCD applied for AHSC grant funds to purchase Bay Area Rapid Transit (“BART”) vehicles  
20 (“BART vehicles”) in order to further reduce greenhouse gas emissions; and

21 WHEREAS, On June 21, 2021, BART and the Developer entered into an  
22 Implementation Agreement to make commitments related to the purchase of the BART  
23 vehicles as included in the Application package; and

24 WHEREAS, On August 18, 2020, by Ordinance No. 142-20, the Board of Supervisors  
25 made findings under the California Environmental Quality Act (Public Resources Code,

1 Sections 21000 et seq.) and findings of consistency with the General Plan, and the eight  
2 priority policies of Planning Code, Section 101.1, which Ordinance is on file with the Clerk of  
3 the Board of Supervisors in File No. 200423 and is incorporated herein by reference; and

4 WHEREAS, HCD proposes to maximize the use of available grant funds on program  
5 expenditures by not including indirect costs in the grant budget; and

6 WHEREAS, Through an award letter dated February 4, 2022, HCD made an award in  
7 the total amount of \$29,585,486, which includes \$19,610,404 to be disbursed by HCD as a  
8 loan to the Developer for the Project, and up to \$9,975,082 to be disbursed as a grant to the  
9 City for the BART vehicles and other transit-oriented programming and improvements  
10 approved by HCD, subject to the terms and conditions of the Standard Agreements, copies of  
11 which are on file with the Clerk of the Board of Supervisors in File No. \_\_\_\_\_; now,  
12 therefore, be it

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

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

19 FURTHER RESOLVED, That the Board Supervisors authorizes the City to accept and  
20 expend the grant funds disbursed under the Standard Agreements; and, be it

21 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of  
22 MOHCD (or his designee) to execute and deliver any documents in the name of the MOHCD  
23 that are necessary, appropriate or advisable to accept and expend the AHSC Program funds  
24 from HCD, and all amendments thereto, and complete the transactions contemplated herein  
25 and to use the funds for eligible capital asset(s) in the manner presented in the application as

1 approved by HCD and in accordance with the NOFA and Program Guidelines and Application  
2 Package; and, be it

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

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

1 Recommended:

2  
3 /s/  
4 Daniel Adams, Director  
Mayor's Office of Housing and Community Development

5  
6 Approved:

7 /s/ /s/  
8 Daniel Lurie, Mayor Greg Wagner, Controller