

1 [Apply for Grant - MidPen Housing Corporation - Assumption of Liability - Department of
2 Housing and Community Development Affordable Housing and Sustainable Communities
3 Program - 850 Turk Street]

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 MidPen Housing Corporation, a California public benefit corporation, for**
9 **the 100% affordable housing project identified as 850 Turk Street; authorizing the City**
10 **to assume any joint and several liability for completion of the projects required by the**
11 **terms of any grant awarded under the AHSC Program; and adopting findings under the**
12 **California Environmental Quality Act ("CEQA"), the CEQA Guidelines, and**
13 **Administrative Code, Chapter 31.**

14
15 WHEREAS, The State of California, the Strategic Growth Council (“SGC”) and the
16 Department of Housing and Community Development (“Department”) has issued a Notice of
17 Funding Availability (“NOFA”) dated January 30, 2023, under the Affordable Housing and
18 Sustainable Communities (“AHSC”) Program established under Division 44, Part 1 of the
19 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
24 standard agreement with the State of California (“Standard Agreement”), the Department is
25 authorized to administer the 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 create new affordable housing and achieve greenhouse gas reductions and
4 benefit disadvantaged communities through increased accessibility to affordable housing,
5 employment centers and key 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, MidPen Housing Corporation (“Developer”), have requested the City and
9 County of San Francisco (the “City”), acting by and through the Mayor’s Office of Housing and
10 Community Development (“MOHCD”), to be a joint applicant for an eight-story, 92-unit, 100%
11 affordable housing project on real property owned by the State of California located at 850
12 Turk Street (the “Project”); and

13 WHEREAS, On April 8, 2022, the California Department of General Services (DGS)
14 determined that the project qualifies for Class 32 exemption under CEQA Guidelines Section
15 15332; In-Fill Development because the project is consistent with applicable objective general
16 plan standards and criteria for multi-family residential development. It is an allowable land use
17 in the City and County of San Francisco's land use and zoning designations and the project
18 meets all criteria for Class 32; less than 5 acres, within City and County of San Francisco
19 limits, surrounded by urban uses, not in an area with value as habitat for endangered, rare or
20 threatened species, is adequately served by all required utilities and public services); and

21 WHEREAS, The Department of Public Works (“DPW”) plans to perform bicycle, transit
22 and pedestrian improvements in the vicinity of the Project (the “DPW Work”); and

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

1 WHEREAS, DPW and MOHCD will enter into a Memorandum of Understanding to
2 make commitments related to completion of the DPW Work as included in the Application
3 Package; and

4 WHEREAS, The City, acting by and through MOHCD, desires to apply for AHSC
5 Program funds and submit an Application Package as a joint applicant with the Developer;
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 January 30, 2023, for Round 7, in a total amount not to exceed \$50,000,000 of which
10 up to \$35,000,000 will be provided as a loan to the Developer for the Project as an Affordable
11 Housing Development (“AHD”) (“AHSC Loan”) and up to \$15,000,000 will be provided as a
12 grant to the City for Housing-Related Infrastructure (“HRI”), Sustainable Transportation
13 Infrastructure (“STI”), Transit-Related Amenities (“TRA”) or Program (“PGM”) activities (“AHSC
14 Grant”) as defined the AHSC Program Guidelines and sign AHSC Program documents; and,
15 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 any loan awarded to the Developer under the AHSC
19 Program; and, be it

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

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 his 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:

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