

1 [Apply for Grant - Mercy Housing California - Assumption of Liability - Department of Housing
2 and Community Development Affordable Housing and Sustainable Communities Program -
Transbay 2 East Family]

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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 Mercy Housing California, for the 100% affordable housing project**
9 **identified as Transbay 2 East Family; authorizing the City to assume any joint and**
10 **several liability for completion of the projects required by the terms of any grant**
11 **awarded under the AHSC Program; and adopting findings under the California**
12 **Environmental Quality Act ("CEQA"), the CEQA Guidelines, and Administrative Code,**
13 **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, Mercy Housing California (“Developer”), has 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 a 17 story, 184 unit, 100%
11 affordable housing project, including 40 units reserved for homeless or formally homeless
12 families (the “Project”) identified as Transbay 2 East Family (“Transbay 2 East Family”); and

13 WHEREAS, The Project is located on Block 2 of Zone One of the Transbay
14 Redevelopment Project Area and subject to the land use controls set forth in the
15 Redevelopment Plan for the Transbay Redevelopment Project Area (approved by Ordinance
16 No. 124-05 (June 21, 2005) and by Ordinance No. 99-06 (May 9, 2006), and amended by
17 Ordinance No. 84-15 (June 18, 2015), Ordinance No. 62-16 (April 28, 2016), and Ordinance
18 No. 009-23 (January 24, 2023) (“Redevelopment Plan”) and Development Controls and
19 Design Guidelines for the Transbay Redevelopment Project Area, as administered and
20 enforced by the Successor Agency to the Redevelopment Agency of the City and County of
21 San Francisco (“Successor Agency”); on June 15, 2004, the Board of Supervisors affirmed, by
22 Motion No. 04-67, the certification under the California Environmental Quality Act (California
23 Public Resources Code, Sections 21000 et seq., and the CEQA Guidelines (14 California
24 Code of Regulations, Sections 15000 et. Seq. (“CEQA Guidelines”, and collectively “CEQA”))
25 of the Final Environmental Impact Statement/Environmental Impact Report (“Final

1 Environmental Document”) for the Transbay Terminal/Caltrain Downtown
2 Extension/Redevelopment Project (“EIS/EIR Project”), which included the Redevelopment
3 Plan; subsequently, the Board of Supervisors adopted, by Resolution No. 612-04 (October 7,
4 2004), findings that various actions related to the EIS/EIR Project complied with CEQA and
5 the Redevelopment Agency of the City and County of San Francisco Commission adopted, by
6 Resolution No. 11-2005 (January 25, 2005), findings and a statement of overriding
7 considerations and a mitigation monitoring and reporting program, adopted in accordance with
8 CEQA. Subsequent to the adoption of the Final Environmental Document and the findings, the
9 former Redevelopment Agency of the City and County of San Francisco or the Successor
10 Agency have approved and incorporated ten addenda into the analysis of the Final
11 Environmental Document (as incorporated, the “FEIS/EIR”) and made requisite findings under
12 CEQA.

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

15 WHEREAS, In order to be highly competitive for the AHSC funds, the Developer and
16 MOHCD will also apply for AHSC grant funds to purchase two BART cars and fund
17 improvements to the Embarcadero BART station (“the BART Work”) to further reduce
18 greenhouse gas emissions; and

19 WHEREAS, BART and the Developer will enter into a memorandum of understanding
20 regarding the purchase of the BART cars and BART work; and

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

24 WHEREAS, DPW and MOHCD will enter into a Memorandum of Understanding to
25 make commitments related to completion of the DPW Work as included in the Application

1 Package; and

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

5 RESOLVED, That the Board of Supervisors delegates to MOHCD, on behalf of the
6 City, the authority to execute an application to the AHSC Program as detailed in the NOFA
7 dated January 30, 2023, for Round 7, in a total amount not to exceed \$50,000,000 of which
8 up to \$35,000,000 will be provided as a loan to the Developer for the Project as an Affordable
9 Housing Development (“AHD”) (“AHSC Loan”) and a grant to the City for Housing-Related
10 Infrastructure (“HRI”); and up to \$15,000,000 will be provided as a grant to the City, BART,
11 and the Developer for Sustainable Transportation Infrastructure (“STI”), Transit-Related
12 Amenities (“TRA”) or Program (“PGM”) activities (“AHSC Grant”) as defined the AHSC
13 Program Guidelines and sign AHSC Program documents; and, be it

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

18 FURTHER RESOLVED, That the Board of Supervisors acknowledges that if the
19 Application is successful, the City, through MOHCD, shall seek Board of Supervisors approval
20 of the Standard Agreement, with terms and conditions that AHSC Program funds are to be
21 used for allowable capital asset project expenditures to be identified in Exhibit A of the
22 Standard Agreement, that the Application Package in full is incorporated as part of the
23 Standard Agreement, and that any and all activities funded, information provided, and
24 timelines represented in the application are enforceable through the Standard Agreement;
25 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 City that
3 are necessary, appropriate or advisable to secure the AHSC Program funds from the
4 Department, and all amendments thereto, and complete the transactions contemplated herein
5 and to use the funds for eligible capital asset(s) in the manner presented in the application as
6 approved by the Department and in accordance with the NOFA and Program Guidelines and
7 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.

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RECOMMENDED:

/s/ _____

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