

1 [Apply for Grant - Potrero Housing Associates II, L.P. - Assumption of Liability -
2 Department of Housing and Community Development Affordable Housing and
3 Sustainable Communities Program - Potrero Block B]

4 **Resolution authorizing the Mayor's Office of Housing and Community**

5 **Development, on behalf of the City and County of San Francisco, to execute a grant**
6 **application, as defined herein, under the Department of Housing and Community**
7 **Development Affordable Housing and Sustainable Communities ("AHSC") Program**
8 **as a joint applicant with Potrero Housing Associates II, L.P., a California limited**
9 **partnership, for the 100% affordable housing project identified as Potrero Block B**
10 **in the Potrero HOPE SF Development Agreement; authorizing the City to assume**
11 **any joint and several liability for completion of the projects required by the terms of**
12 **any grant awarded under the AHSC Program; and adopting findings under the**
13 **California Environmental Quality Act ("CEQA"), the CEQA Guidelines, and**
14 **Administrative Code, Chapter 31.**

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16 WHEREAS, The State of California, the Strategic Growth Council ("SGC") and the
17 Department of Housing and Community Development ("Department" has issued a Notice
18 of Funding Availability ("NOFA") dated November 1, 2019, under the Affordable Housing
19 and Sustainable Communities ("AHSC") Program established under Division 44, Part 1 of
20 the Public Resources Code commencing with Section 75200; and

21 WHEREAS, The SGC is authorized to approve funding allocations for the AHSC
22 Program, subject to the terms and conditions of the NOFA, AHSC Program Guidelines
23 adopted by SGC on October 31, 2019 ("Program Guidelines"), an application package
24 released by the Department for the AHSC Program ("Application Package"), and an
25 AHSC standard agreement with the State of California ("Standard Agreement"), the

1 Department is authorized to administer the approved funding allocations of the AHSC
2 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
6 and benefit disadvantaged communities through increased accessibility to affordable
7 housing, employment centers and key destinations via low-carbon transportation; and

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

10 WHEREAS, Potrero Housing Associates II, L.P., a California limited partnership
11 (“Developer”), has requested the City and County of San Francisco (the “City”), acting by
12 and through the Mayor’s Office of Housing and Community Development (“MOHCD”), to
13 be a joint applicant for it’s a 157 unit, 100% affordable housing project, ground floor early
14 childhood education center and adjacent public mini park (the “Project”) identified as
15 Potrero Block B (the “Potrero Block B”); in Potrero HOPE SF Development Agreement
16 (File Number 161161); and

17 WHEREAS, By Ordinance No. 19-17, the Board of Supervisors made findings
18 under the California Environmental Quality Act (Public Resources Code, Sections 21000
19 et seq.) and findings of consistency with the General Plan, and the eight priority policies
20 of Planning Code, Section 101.1, which Ordinance is on file with the Clerk of the Board of
21 Supervisors in File No. 161308 and is incorporated herein by reference; and

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

25 WHEREAS, The City, acting by and through MOHCD, desires to apply for AHSC

1 Program funds and submit an Application Package as a joint applicant with the
2 Developer; and

3 WHEREAS, SFMTA, MOHCD and Developer will enter into a Memorandum of
4 Understanding to make commitments related to completion of the SFMTA Work on the
5 Project as included in the Application Package; now, therefore, be it

6 RESOLVED, That the Board of Supervisors hereby adopts the findings contained
7 in Ordinance No. 19-17 regarding the California Environmental Quality Act for the Project,
8 and hereby incorporates such findings by reference as though fully set forth in this
9 Resolution; and, be it

10 FURTHER RESOLVED, That the Board of Supervisors hereby finds that the
11 Project is consistent with the General Plan, and with the eight priority policies of Planning
12 Code, Section 101.1 for the same reasons as set forth in Ordinance No. 19-17, and
13 hereby incorporates such findings by reference as though fully set forth in this Resolution;
14 and, be it

15 RESOLVED, That the Board of Supervisors delegates to MOHCD, on behalf of the
16 City, the authority to execute an application to the AHSC Program as detailed in the
17 NOFA dated November 1, 2019, for Round 5, in a total amount not to exceed
18 \$30,000,000 of which \$20,000,000 will be provided as a loan for an Affordable Housing
19 Development (“AHD”) (“AHSC Loan”) and \$10,000,000 will be provided as a grant for
20 Housing-Related Infrastructure (“HRI”), Sustainable Transportation Infrastructure (“STI”),
21 Transit-Related Amenities (“TRA”) or Program (“PGM”) activities (“AHSC Grant”) as
22 defined the AHSC Program Guidelines and sign AHSC Program documents; and, be it

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

1 be it

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

10 FURTHER RESOLVED, That the Board of Supervisors authorizes the Acting
11 Director of MOHCD (or his designee) to execute and deliver any documents in the name
12 of the City that are necessary, appropriate or advisable to secure the AHSC Program
13 funds from the Department, and all amendments thereto, and complete the transactions
14 contemplated herein and to use the funds for eligible capital asset(s) in the manner
15 presented in the application as approved by the Department and in accordance with the
16 NOFA and Program Guidelines and Application Package; and, be it

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

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RECOMMENDED:

Daniel Adams, Acting Director,
Mayor's Office of Housing and Community Development