

1 [Execute Standard Agreement and Accept and Expend Grant - California Department of
2 Housing and Community Development Infill Infrastructure Grant Program - Potrero Block B -
3 \$11,699,000]

4 **Resolution authorizing the Mayor’s Office of Housing and Community Development**
5 **(“MOHCD”) to execute a Standard Agreement with California Department of Housing**
6 **and Community Development (“HCD” or “Department”) under the Infill Infrastructure**
7 **Grant (IIG) Program for a total award of \$11,699,000 disbursed by HCD as a grant to the**
8 **City for the second phase of infrastructure improvements for housing development**
9 **related to the revitalization and master development of up to 1700 units of replacement**
10 **public housing, affordable housing and market rate housing, commonly known as the**
11 **Potrero HOPE SF Development (“Potrero Project”) for the period starting on the**
12 **execution date of the Standard Agreement to June 30, 2023, and as amended; and to**
13 **accept and expend the IIG Program funds from the Department.**

14
15 WHEREAS, The State of California Department of Housing and Community
16 Development (“Department”) issued a Notice of Funding Availability (“NOFA”) dated October
17 30, 2019, under the Infill Infrastructure Program (“IIG Program”) established under Division
18 31, Part 12.5 of the Public Resources Code commencing with Section 53559; and

19 WHEREAS, The Department is authorized to approve funding allocations for the IIG
20 Program, subject to the terms and conditions of the NOFA IIG Program Guidelines adopted by
21 the Department on October 30, 2019 (“Program Guidelines”), an application package released
22 by the Department for the IIG Program (“Application Package”), and an IIG standard
23 agreement with the State of California (“Standard Agreement”), the Department is authorized
24 to administer the approved funding allocations of the IIG Program; and

1 WHEREAS, The IIG Program provides infrastructure for Capital Improvements Projects
2 in support of Qualifying Infill Projects or Qualifying Infill Areas to applicants identified through
3 a competitive process for the development of projects that, per the Program Guidelines,
4 support higher-density affordable and mixed-income housing and mixed-use infill
5 developments; and

6 WHEREAS, The IIG Program requires that joint applicants for a project will be held
7 jointly and severally liable for completion of such project; and

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

16 WHEREAS, The Project is a Qualifying Infill Area under the IIG Program; and

17 WHEREAS, On January 31, 2017, by Ordinance No. 19-17, the Board of Supervisors
18 made findings under the California Environmental Quality Act (Public Resources Code,
19 Sections 21000 et seq.) and findings of consistency with the General Plan, and the eight
20 priority policies of Planning Code, Section 101.1, which Ordinance is on file with the Clerk of
21 the Board of Supervisors in File No. 161308 and is incorporated herein by reference; and

22 WHEREAS, On January 14, 2020, the Board of Supervisors authorized MOHCD to
23 apply for IIG Program funds and submit an Application Package as a joint applicant with the
24 Developer through Resolution No. 23-20; and

25 WHEREAS, The grant terms prohibit including indirect costs in the grant budget; and

1 WHEREAS, Through an award letter dated June 23, 2020, the Department made an
2 award in the total amount of \$11,699,000 to be disbursed by HCD as a grant to the City for
3 infrastructure work as approved by HCD, subject to the terms and conditions of the STD 213,
4 Standard Agreement (“Standard Agreement”), a copy of which is on file with the Clerk of the
5 Board of Supervisors in File No. 191293; now, therefore, be it

6 RESOLVED, That the Board of Supervisors approves and authorizes the MOHCD to
7 enter into the Standard Agreement with the Department, with terms and conditions that IIG
8 Program funds are to be used for allowable capital asset project expenditures identified in
9 Exhibit A of the Standard Agreement; and, be it

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

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

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

