

1 [Accept and Expend Grant - California Department of Housing and Community Development
2 Affordable Housing and Sustainable Communities Program - Sunnydale Block 3A -
3 \$21,205,299]

4 **Resolution authorizing the Mayor’s Office of Housing and Community Development**
5 **(“MOHCD”) to execute the Standard Agreements with the California Department of**
6 **Housing and Community Development (“HCD” or “Department”) under the Affordable**
7 **Housing and Sustainable Communities Program for a total award of \$21,205,299**
8 **including \$10,850,000 disbursed by HCD as a loan to the Sunnydale Block 3A Housing**
9 **Partners, L.P. (“Developer”) for a 100% affordable housing project at 1545 Sunnydale**
10 **Avenue and \$10,355,299 to be disbursed as a grant to the City for public transportation**
11 **improvements near 1545 Sunnydale Avenue, for the period starting on the execution**
12 **date of the Standard Agreements to November 30, 2042; and authorizing MOHCD to**
13 **accept and expend the grant of up to \$10,355,299 for transportation, streetscape and**
14 **pedestrian improvements and other transit oriented programming and improvement as**
15 **approved by HCD.**

16
17 WHEREAS, The State of California, the Strategic Growth Council (“SGC”) and the
18 Department of Housing and Community Development (“Department”) issued a Notice of
19 Funding Availability (“NOFA”) dated February 26, 2021, under the Affordable Housing and
20 Sustainable Communities (“AHSC”) Program established under Division 44, Part 1 of the
21 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 the Department for the AHSC Program (“Application Package”), and an AHSC
2 standard agreement with the State of California (“Standard Agreement”), the Department is
3 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, Sunnydale Block 3A Housing Partners, L.P., a California limited
12 partnership (“Developer”), requested that the City and County of San Francisco (the “City”),
13 acting by and through Mayor’s Office of Housing and Community Development (“MOHCD”),
14 be a joint applicant for AHSC Program funds for its project located at 1545 Sunnydale Avenue
15 consisting of new construction of a 80-unit 100% affordable multifamily rental housing
16 development affordable to low-income households, with 60 units set aside for HOPE SF
17 resident replacement units, and 20,028 sq. ft of commercial space, with an early childhood
18 education center, Wellness Center, and retail spaces (the “Project”) identified as Sunnydale
19 Block 3A (the “Sunnydale Block 3A”); and

20 WHEREAS, In order to be highly competitive for the AHSC funds, the Developer and
21 MOHCD applied for AHSC grant funds to purchase Caltrain vehicles (“Caltrain vehicles”) in
22 order to further reduce greenhouse gas emissions; and

23 WHEREAS, Caltrain and MOHCD will enter into a Memorandum of Understanding to
24 make commitments related to the purchase of the Caltrain vehicles as included in the
25 Application package; and

1 WHEREAS, The Recreation and Parks Department (“SFRPD”) plans to perform bicycle
2 and pedestrian improvements in the vicinity of the Project (the “SFRPD Work”); and

3 WHEREAS, On January 31, 2017, by Ordinance No. 20-17, the Board of Supervisors
4 made findings under the California Environmental Quality Act (Public Resources Code
5 Sections 21000 et seq.) and findings of consistency with the General Plan, and the eight
6 priority policies of Planning Code, Section 101.1, which Ordinance is on file with the Clerk of
7 the Board of Supervisors in File No. 161309 and is incorporated herein by reference; and

8 WHEREAS, On May 25, 2021, the Board of Supervisors authorized MOHCD to apply
9 for AHSC Program funds and submit an Application Package as a joint applicant with the
10 Developer through Resolution No. 257-21; and

11 WHEREAS, The department proposes to maximize the use of available grant funds on
12 program expenditures by not including indirect costs in the grant budget; and

13 WHEREAS, Through an award letter dated February 4, 2022, the Department made an
14 award in the total amount of \$21,205,299 which includes \$10,850,000 to be disbursed by
15 HCD as a loan to the Developer for the Project, and up to \$10,355,299 to be disbursed as a
16 grant to the City for the Caltrain vehicles, SFRPD Work and other transit-oriented
17 programming and improvements approved by HCD, subject to the terms and conditions of the
18 STD 213, Standard Agreement (“Standard Agreement”), a copy of which is on file with the
19 Clerk of the Board of Supervisors in File No. 230378; now, therefore, be it

20 RESOLVED, That the Board of Supervisors approves and authorizes the MOHCD to
21 enter into the Standard Agreements with the Department, with terms and conditions that
22 AHSC Program funds are to be used for allowable capital asset project expenditures identified
23 in Exhibit A; and, be it

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

1 FURTHER RESOLVED, That the Board Supervisors authorizes the City to accept and
2 expend the grant funds disbursed under the Standard Agreement; 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 MOHCD
5 that are necessary, appropriate or advisable to accept and expend the AHSC Program funds
6 from the Department, and all amendments thereto, and complete the transactions
7 contemplated herein and to use the funds for eligible capital asset(s) in the manner presented
8 in the application as approved by the Department and in accordance with the NOFA and
9 Program Guidelines and 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; and, be it

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

