

1 [Execute Standard Agreements - Accept and Expend Grant - California Department of
2 Housing and Community Development - Affordable Housing and Sustainable Communities
3 Program - 11 Frida Kahlo Way - Balboa Reservoir Building A - \$45,721,399]

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") under the Affordable Housing and**
7 **Sustainable Communities Program for a total award of \$45,721,399, including**
8 **\$33,000,000 disbursed by HCD as a loan to the Balboa Gateway, L.P. ("Developer") for**
9 **a 100% affordable housing project at 11 Frida Kahlo Way and \$12,721,399 to be**
10 **disbursed as a grant to the City for public transportation improvements near 11 Frida**
11 **Kahlo Way, for the period starting on the execution date of the Standard Agreements**
12 **through November 30, 2043; authorizing MOHCD to accept and expend the grant of up**
13 **to \$12,721,399 for transportation, streetscape and pedestrian improvements and other**
14 **transit oriented programming and improvement as approved by HCD.**

15
16 WHEREAS, The State of California, the Strategic Growth Council ("SGC") and the
17 California Department of Housing and Community Development ("HCD") issued a Notice of
18 Funding Availability ("NOFA") dated January 30, 2023, and subsequently amended on March
19 15, 2023, under the Affordable Housing and Sustainable Communities ("AHSC") Program
20 established under Division 44, Part 1 of the Public Resources Code commencing with Section
21 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 December 15, 2022 ("Program Guidelines"), an application package
25

1 released by HCD for the AHSC Program (“Application Package”), and AHSC STD 213 and
2 STD 215 standard agreements with the State of California (“Standard Agreements”), and HCD
3 is 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, Balboa Gateway L.P., a California limited partnership (“Developer”),
12 requested that the City and County of San Francisco (the “City”), acting by and through
13 Mayor’s Office of Housing and Community Development (“MOHCD”), be a joint applicant for
14 AHSC Program funds for its project located at 11 Frida Kahlo Way consisting of new
15 construction of a 159-unit 100% affordable multifamily rental housing development affordable
16 to low-income households(the “Project”) identified as Balboa Building A (the “Balboa Building
17 A”); and

18 WHEREAS, In order to be highly competitive for the AHSC funds, the Developer and
19 MOHCD applied for AHSC grant funds to purchase Bay Area Rapid Transit “BART” vehicles
20 (“BART vehicles”) in order to further reduce greenhouse gas emissions; and

21 WHEREAS, On April 3, 2023, BART and the Developer entered into an Implementation
22 Agreement to make commitments related to the purchase of the BART vehicles as included in
23 the Application package; and

1 WHEREAS, On March 31, 2023, the San Francisco Municipal Transportation Authority
2 (“SFMTA”) and MOHCD entered into a Memorandum of Understanding to make commitments
3 related to 29 Sunset Improvement Project included in the Application package; and

4 WHEREAS, On April 14, 2023, the Board of Supervisors authorized MOHCD to apply
5 for AHSC Program funds and submit an Application Package as a joint applicant with the
6 Developer through Resolution No. 153-23; and

7 WHEREAS, HCD proposes to maximize the use of available grant funds on program
8 expenditures by not including indirect costs in the grant budget; and

9 WHEREAS, Through an award letter dated September 1, 2023, HCD made an award
10 in the total amount of \$45,721,399, which includes \$33,000,000 to be disbursed by HCD as a
11 loan to the Developer for the Project, and up to \$12,721,399 to be disbursed as a grant to the
12 City for the BART vehicles, other transit-oriented programming and improvements, and AHD
13 resident support approved by HCD, subject to the terms and conditions of the Standard
14 Agreements, copies of which are on file with the Clerk of the Board of Supervisors in File No.
15 _____; now, therefore, be it

16 RESOLVED, That the Board of Supervisors approves and authorizes the MOHCD to
17 enter into the Standard Agreements with HCD, with terms and conditions that AHSC Program
18 funds are to be used for allowable capital asset project expenditures identified in Exhibit A;
19 and, be it

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

22 FURTHER RESOLVED, That the Board Supervisors authorizes the City to accept and
23 expend the grant funds disbursed under the Standard Agreements; and, be it

24 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
25 MOHCD (or his designee) to execute and deliver any documents in the name of the MOHCD

1 that are necessary, appropriate or advisable to accept and expend the AHSC Program funds
2 from HCD, and all amendments thereto, and complete the transactions contemplated herein
3 and to use the funds for eligible capital asset(s) in the manner presented in the application as
4 approved by HCD and in accordance with the NOFA and Program Guidelines and Application
5 Package; and, be it

6 FURTHER RESOLVED, That all actions authorized and directed by this Resolution and
7 heretofore taken are ratified, approved and confirmed by this Board of Supervisors; and, be it

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

1 Recommended:

2
3 /s/
Daniel Adams, Director
4 Mayor's Office of Housing and Community Development

5 Approved:

6
7 /s/ /s/
8 Daniel Lurie, Mayor Greg Wagner, Controller