

File No. 210766

Committee Item No. 7

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date July 21, 2021

Board of Supervisors Meeting

Date _____

Cmte Board

- | | | |
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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

- | | | |
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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Project Description _____ |
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Completed by: Linda Wong

Date July 15, 2021

Completed by: Linda Wong

Date _____

1 [Multifamily Housing Revenue Bonds - 151 and 351 Friedell Street (Hunters Point Shipyard
2 Phase 1 Blocks 52 and 54) - Not to Exceed \$63,000,000]

3 **Resolution declaring the intent of the City and County of San Francisco (“City”) to**
4 **reimburse certain expenditures from proceeds of future bonded indebtedness in an**
5 **aggregate principal amount not to exceed \$63,000,000; authorizing the Director of the**
6 **Mayor’s Office of Housing and Community Development (“Director”) to submit an**
7 **application and related documents to the California Debt Limit Allocation Committee**
8 **(“CDLAC”) to permit the issuance of residential mortgage revenue bonds in an**
9 **aggregate principal amount not to exceed \$63,000,000 for 151 and 351 Friedell Street**
10 **(Hunters Point Shipyard Phase 1 Blocks 52 and 54); authorizing and directing the**
11 **Director to direct the Controller’s Office to hold in trust an amount not to exceed**
12 **\$100,000 in accordance with CDLAC procedures; authorizing the Director to certify to**
13 **CDLAC that the City has on deposit the required amount; authorizing the Director to**
14 **pay an amount equal to such deposit to the State of California if the City fails to issue**
15 **the residential mortgage revenue bonds; authorizing and directing the execution of any**
16 **documents necessary to implement this Resolution; and ratifying and approving any**
17 **action heretofore taken in connection with the Project, as defined herein, and the**
18 **Application, as defined herein.**

19
20 WHEREAS, The Board of Supervisors of the City and County of San Francisco (“Board
21 of Supervisors”), after careful study and consideration, has determined that there is a
22 shortage of safe and sanitary housing within the City and County of San Francisco (“City”),
23 particularly for low and moderate income persons, and that it is in the best interest of the
24 residents of the City and in furtherance of the health, safety, and welfare of the public for the
25 City to assist in the financing of multi-family rental housing units; and

1 WHEREAS, Acting under and pursuant to the powers reserved to the City under
2 Sections 3, 5, and 7 of Article XI of the Constitution of the State of California and Sections
3 1.101 and 9.107 of the Charter of the City and County of San Francisco, the City has enacted
4 the City and County of San Francisco Residential Mortgage Revenue Bond Law (“City Law”),
5 constituting Article I of Chapter 43 of the San Francisco Administrative Code, in order to
6 establish a procedure for the authorization, issuance and sale of residential mortgage revenue
7 bonds by the City for the purpose of providing funds to encourage the availability of adequate
8 housing and home finance for persons and families of low or moderate income, and to
9 develop viable communities by providing decent housing, enhanced living environments, and
10 increased economic opportunities for persons and families of low or moderate income; and

11 WHEREAS, In addition, pursuant to Division 31 of the Health and Safety Code of the
12 State of California, and particularly Chapter 7 of Part 5 thereof (“State Law”), the City is
13 empowered to issue and sell bonds for the purpose of making mortgage loans or otherwise
14 providing funds to finance the development and/or rehabilitation of multi-family rental housing
15 including units for lower income households and very low income households; and

16 WHEREAS, HPSY 52-54, LP, a California limited partnership (or an affiliate thereof or
17 successor thereto) (the “Borrower”) desires to construct an 112-unit affordable residential
18 rental housing development located at 151 and 351 Friedell Street (San Francisco, California
19 94124) (“Project”); and

20 WHEREAS, The Borrower has requested that the City assist in the financing of the
21 Project through the issuance of one or more series of tax-exempt mortgage revenue bonds
22 (“Bonds”); and

23 WHEREAS, The City expects that proceeds of the Bonds will be used to pay certain
24 costs incurred in connection with the Project prior to the date of issuance of the Bonds; and

25 WHEREAS, The City intends to issue the Bonds in an amount not to exceed

1 \$63,000,000 and to loan the proceeds of the Bonds to the Borrower (“Loan”) to finance the
2 costs of the Project; and

3 WHEREAS, The Bonds will be limited obligations, payable solely from pledged
4 security, including Project revenues, and will not constitute a debt of the City; and

5 WHEREAS, The Board of Supervisors has determined that the moneys advanced and
6 to be advanced to pay certain expenditures of the Project are or will be available only for a
7 temporary period and it is necessary to reimburse such expenditures with respect to the
8 Project from the proceeds of the Bonds; and

9 WHEREAS, Section 1.150-2 of the United States Treasury Regulations requires that
10 the Board of Supervisors declare its reasonable official intent to reimburse prior expenditures
11 for the Project with proceeds of the Bonds; and

12 WHEREAS, The Project is located wholly within the City; and

13 WHEREAS, Section 146 of the Code limits the amount of tax-exempt private activity
14 bonds, which include qualified mortgage bonds, that may be issued in any calendar year by
15 entities within a state and authorizes the legislature of each state to provide the method of
16 allocating authority to issue tax-exempt private activity bonds within the respective state; and

17 WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the Government Code of the State
18 of California governs the allocation in the State of California of the state ceiling established by
19 Section 146 of the Code among governmental units in the State having the authority to issue
20 tax-exempt private activity bonds; and

21 WHEREAS, Section 8869.85(b) of the Government Code requires that a local agency
22 file an application for a portion of the state ceiling with or upon the direction of the California
23 Debt Allocation Committee (“CDLAC”) prior to the issuance of tax-exempt private activity
24 bonds, including qualified mortgage bonds; and

25 ///

1 WHEREAS, CDLAC procedures require an applicant for a portion of the state ceiling to
2 certify to CDLAC that applicant has on deposit an amount equal to one-half of one percent
3 (0.5%) of the amount of allocation requested not to exceed \$100,000; now, therefore, be it

4 RESOLVED, By the Board of Supervisors of the City and County of San Francisco, as
5 follows:

6 Section 1. The Board of Supervisors finds and determines that the foregoing recitals
7 are true and correct.

8 Section 2. The Board of Supervisors adopts this Resolution for purposes of
9 establishing compliance with the requirements of Section 1.150-2 of the United States
10 Treasury Regulations. This Resolution does not bind the Board of Supervisors to issue the
11 Bonds, approve the Loan or to make any expenditure, incur any indebtedness or proceed with
12 the Project.

13 Section 3. The Board of Supervisors hereby declares its official intent under United
14 States Treasury Regulations Section 1.150-2 to use proceeds of the Bonds to reimburse
15 expenditures incurred in connection with the Project. The Board of Supervisors hereby further
16 declares its intent to use such proceeds to reimburse the Borrower for actual expenditures
17 made by the Borrower on the Project.

18 Section 4. On the date of the expenditure to be reimbursed, all reimbursable costs of
19 the Project will be of a type properly chargeable to a capital account under general federal
20 income tax principles.

21 Section 5. The maximum principal amount of debt expected to be issued for the Project
22 is \$63,000,000.

23 Section 6. This resolution is neither an approval of the underlying credit issues of the
24 proposed Project nor an approval of the financial structure of the Bonds.

25 ///

1 Section 7. The Board of Supervisors hereby authorizes the Director of the Mayor’s
2 Office of Housing and Community Development, including any acting or interim director, or
3 such person’s designee (“Director”), on behalf of the City, to submit an application
4 (“Application”), and such other documents as may be required, to CDLAC pursuant to
5 Government Code Section 8869.85 for an allocation for the Project of a portion of the state
6 ceiling for private activity bonds in a principal amount not to exceed \$63,000,000.

7 Section 8. An amount equal to one-half of one percent (0.5%) of the amount of the
8 CDLAC allocation requested for the Project, not to exceed \$100,000 (“Deposit”), is hereby
9 authorized to be held on deposit in connection with the Application and the applicable CDLAC
10 procedures, and the Director is authorized to certify to CDLAC that such funds are available.

11 Section 9. If the City receives a CDLAC allocation for the Project and the Bonds are not
12 issued, the Mayor’s Office of Housing and Community Development is hereby authorized to
13 cause an amount equal to the Deposit to be paid to the State of California, if and to the extent
14 required by CDLAC.

15 Section 10. The officers and employees of the City, including the Director, are hereby
16 authorized and directed, jointly and severally, to do any and all things necessary or advisable
17 to consummate the receipt of an allocation from CDLAC and otherwise effectuate the
18 purposes of this Resolution, consistent with the documents cited herein and this Resolution,
19 and all actions previously taken by such officers and employees with respect to the Project,
20 consistent with the documents cited herein and this Resolution, including but not limited to the
21 submission of the application to CDLAC, are hereby ratified and approved.

22 ///
23 ///
24 ///
25 ///

1 Section 11. This Resolution shall take effect from and after its adoption by the Board and
2 approval by the Mayor.

3

4 APPROVED AS TO FORM:
5 DENNIS J. HERRERA, City Attorney

6

7 By: /s/ Heidi J. Gewertz
8 HEIDI J. GEWERTZ
9 Deputy City Attorney
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Project Description
Multifamily Securities Program
City and County of San Francisco

Hunters Point Shipyard Blocks 52 54

Overview

The funds described in the “Financing Structure” section below will be used to finance the development of Hunters Point Shipyard 52& 54, a 112-unit affordable multifamily housing project to be located at 151 and 351 Friedell Street, area code 94124, in the City and County of San Francisco (the “Project”).

Upon completion, the Project will include approximately 165,803 square feet of gross floor area, comprised of 102,843 square feet of residential area and 62,960 square feet of non-residential area. Non-residential spaces will include a Community Room, fitness room, lounge, laundry rooms, property management office, resident services office, circulation, parking, and service / mechanical spaces..

Total project costs, including the cost to acquire the land and construct two new buildings, will be approximately \$108,514,967, or \$968,884 per dwelling unit.

The residential unit distribution, which will include one 2-bedroom manager’s unit, is:

<u>Unit type</u>	<u>Number of units</u>
1-Bedroom	49
2-Bedroom	31
3-Bedroom	23
4-Bedroom	8
5-Bedroom	1

Seventy-three percent (73%) of the residential units will serve households earning less than 50% AMI based off the San Francisco County’s Area Median Income (AMI), while thirteen percent (13%) will serve households earning less than 40% AMI and the balance of units will serve households earning less than 30% AMI.

Residents

No residents will be displaced as both sites are currently vacant lots.

Site Description and Scope of Work

Address: 151 and 351 Friedell Street, San Francisco, CA 94124
Block/Lot: 4591C/204 and 4591C/215

Property amenities will include:

- 112 units of affordable housing
- Community Room
- Resident Lounge
- Fitness Room

- Landscaped Courtyards, including a small play area
- Roof Terrace
- Laundry Rooms
- Property Management Office
- Resident Services Office
- Maintenance Office and Storage Area
- 76 bicycle spaces with bike maintenance areas
- 62 parking spaces
- Photovoltaic Systems
- High energy performance: Fossil-Fuel free (*not sure this is an “amenity” but maybe you want to list it ...*)
- Healthy, non-toxic materials

Development and Management Team

Project Sponsor[s]:	Bayview Hunters Point Multipurpose Senior Services (BHPMSS) & The Jonathan Rose Companies (JRC)
General Contractor:	Baines Group, Inc. & Nibbi Brothers General Contractors (BGI/Nibbi)
Architect of Record:	Mithun, Inc.
Property Manager:	The John Stewart Company

Project Ownership Structure

Borrower Entity:	HPSY 52-54, LP
Managing General Partner/ Managing Member:	To be formed entity controlled by BHPMSS and an affiliate of JRC

A to-be-determined investor limited partner/member will own a 99.99% interest in the borrower entity.

Financing Structure

The following sources of capital financing are expected to be utilized:

- Tax-exempt bonds issued by the City;
- 4% low income housing tax credits (LIHTC);
- a conventional first mortgage;
- a GP equity contribution or loan; and
- soft debt from OCII.

Narrative Description of Project Sponsor Experience

BHPMSS and JRC will act as co-developers for the Project. BHPMSS is an established services provider in the neighborhood and acted as co-developer with McCormack Baron Salazar for the Dr. George W. Davis Senior Residences and Center.

BHPMSS will act as co-developer of the Project and Managing General Partner of the Limited Partnership (“LP”) that will be established for the development and ownership of the Project. JRC will act as co-developer of the Project and act as General Partner of the LP. This is the same structure that was established for the development and ownership of Dr. George W. Davis Senior Residences and Center.

The John Stewart Company (“JSCo”) will act as Property Manager for the Project. JSCo currently manages 39 properties in San Francisco including the nearby Hunters View HOPE SF site.

Schedule

Financing is anticipated to close in May 2022, with construction commencing within 15 days closing. All construction is scheduled to be completed by May 2024.

President, District 10
BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. 554-6516
Fax No. 554-7674
TDD/TTY No. 554-6546

Shamann Walton

PRESIDENTIAL ACTION

Date: July 7, 2021

To: Angela Calvillo, Clerk of the Board of Supervisors

Madam Clerk,

Pursuant to Board Rules, I am hereby:

- Waiving 30-Day Rule (Board Rule No. 3.23)

File No. _____

(Primary Sponsor)

Title. _____

- Transferring (Board Rule No 3.3)

File No. _____

(Primary Sponsor)

Title. _____

See the attached two trailing pages for a list of transferring files.

From: Government Audit & Oversight _____

Committee

To: Budget & Finance _____

Committee

- Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor: _____ Replacing Supervisor: _____

For: _____

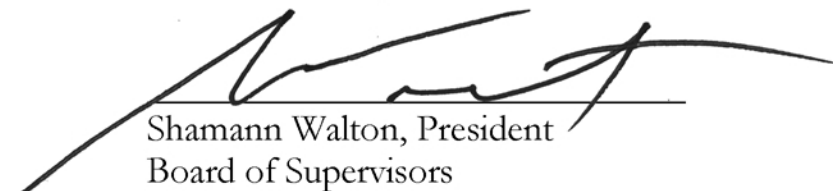
(Date)

(Committee)

Meeting

Start Time: _____ End Time: _____

Temporary Assignment: Partial Full Meeting



Shamann Walton, President
Board of Supervisors

210534 - Administrative Code and Amending Ordinance No. 49-17 - Deferring Payments to and Use of the 180 Jones Affordable Housing Fund

210635 - Lease Amendment No. 2 - Stellar Partners, Inc. - Boarding Area F Specialty Store Lease No. 12-0086 - Term Extension

210607 - Accept and Expend Grant - Retroactive - University of California San Francisco - Construction Community Outreach Program - \$136,000

210608 - Accept and Expend Grant - Retroactive - Development of Commerce - CARES Act Recovery Assistance Revolving Loan Fund - \$550,000

210675 - Lease Agreement - Genesco Partners Joint Ventures #11 - Harvey Milk Terminal 1 Retail Concession - \$365,000 Minimum Annual Guarantee

210676 - Lease Agreement - Culinary Heights Hospitality - Harvey Milk Terminal 1 Food and Beverage Concession Leases in Phases 3 and 4 - Lease 13, Lease No. 20-0043 - \$385,000 Minimum Annual Guarantee

210679 - Accept and Expend Grant - Retroactive - California Governor's Office of Emergency Services - Paul Coverdell Forensic Science Improvement Program - \$61,437

210680 - Accept and Expend Grant - Retroactive - United States Homeland Security - California Office of Emergency Services - Bay Area Urban Areas Security Initiative - \$33,012,500

210681 - Accept and Expend Grant - Retroactive - United States Homeland Security - Securing the Cities Program - FY2020 - \$3,065,800

210682 - Accept and Expend Grant - Retroactive - California Governor's Office of Emergency Services - FY2020 Community Power Resiliency Grant Program - \$189,005

210683 - Accept and Expend Grant - Retroactive - Health Resources and Services Administration - Ending the Human Immunodeficiency Virus Epidemic: A Plan for America - Ryan White HIV/AIDS Program Parts A and B - \$2,667,000

210685 - Accept and Expend Grant - Retroactive - California Governor's Office of Emergency Services - Public Safety Power Shutoff Resiliency Allocation Program - FY2019 - \$378,010

210693 - Accept and Expend Grant - Retroactive - Health Resources and Services Administration - Ending the Human Immunodeficiency Virus Epidemic: A Plan for America - Ryan White HIV/AIDS Program Parts A and B - \$2,667,000

210713 - Professional Services Agreement Amendment - Calpine Energy Solutions, LLC - Community Choice Aggregation Program - Not to Exceed \$32,645,425

210721 - Apply for Grants - FY2021, FY2022, and FY2023 Emergency Preparedness Grants

210735 - Lease Extension Modification - 2011 Lease and Use Agreement - TACA International Airlines, S.A. - Estimated Rent \$4,301,668

210736 - Lease Agreement - ProperFood SFO Airport, LLC - Harvey Milk Terminal 1 Food and Beverage Concession Lease in Phases 3 and 4 - Lease 10, Lease No. 20-0041 - \$275,000 Minimum Annual Guarantee

210737 - Real Property Lease Amendment - Townsend Associates, LLC - 650-5th Street - \$159,200 Annual Base Rent

- 210738 - Real Property Lease Extension - Mattison Family Trust - 555-575 Polk Street - \$500,364 Annual Base Rent
- 210740 - Health Service System Plans and Contribution Rates - Calendar Year 2022
- 210742 - Accept and Expend Grant - Retroactive - John D. and Catherine T. MacArthur Foundation - Safety and Justice Challenge - Amendment to the Annual Salary Ordinance for FYs 2020-2021 and 2021-2022 - \$2,000,000
- 210743 - Accept and Expend Grant - Retroactive - U.S. Department of Justice - Justice Reinvestment Initiative - Amendment to Annual Salary Ordinance - FYs 2020-2021 and 2021-2022 - \$1,000,000
- 210763 - Loan Agreement - 2550 Irving Associates, L.P. - 100% Affordable Housing at 2550 Irving Street - Not to Exceed \$14,277,516
- 210764 - Loan Agreement - Ambassador Ritz Four Percent, L.P. - 55 Mason Street and 216 Eddy Street - Not to Exceed \$44,465,000
- 210765 - Multifamily Housing Revenue Note - Ambassador Ritz Four Percent L.P. - 55 Mason Street and 216 Eddy Street - Not to Exceed \$56,039,857
- 210766 - Multifamily Housing Revenue Bonds - 151 and 351 Friedell Street (Hunters Point Shipyard Phase 1 Blocks 52 and 54) - Not to Exceed \$63,000,000
- 210767 - Multifamily Housing Revenue Bonds - 1500 Block of Sunnysdale Avenue (Sunnysdale HOPE SF Block 3B) - Not to Exceed \$58,750,000
- 210768 - Apply for, Accept, and Expend Grant - Retroactive - U.S. Department of Housing and Urban Development - Community Development Block Grant Program (CDBG) - \$24,737,307 - FY2021-2022
- 210769 - Apply for, Accept, and Expend Grant - Retroactive - U.S. Department of Housing and Urban Development - Emergency Solutions Grants (ESG) Program - \$1,590,749 - FY2021-2022
- 210770 - Apply for, Accept, and Expend Grant - Retroactive - U.S. Department of Housing and Urban Development - HOME Investment Partnership Program - \$5,261,731 - FY2021-2022
- 210771 - Apply for, Accept, and Expend Grant - Retroactive - U.S. Department of Housing and Urban Development - Housing Opportunities for Persons with AIDS (HOPWA) Program - \$12,977,602 - FY2021-2022
- 210774 - Real Property Lease Extension - BC Capp, LLC - Homeless Resource Center - 165 Capp Street - \$270,685 Annual Base Rent
- 210775 - Lease of Real Property - SFSPE TG, LLC, SFSPE T1, LLC, SFSPE MH, LLC and SFSPE OBI LLC - 1360 Mission Street - \$644,404 Annual Base Rent - Up to \$200,000 in Tenant Improvements