

File No. 220647

Committee Item No. 14

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: June 16, 2022

Board of Supervisors Meeting:

Date: _____

Cmte Board

- | | | |
|-------------------------------------|--------------------------|--|
| <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 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 checked="" 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

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|-------------------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Project Description</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>President Memo Transfer - BFC-GAO 060709</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | _____ |
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Prepared by: Jessica Perkinson

Date: June 10, 2022

Prepared by: _____

Date: _____

Prepared by: _____

Date: _____

1 [Multifamily Housing Revenue Bonds - Building E Balboa Reservoir - 11 Frida Kahlo Way -
2 Not to Exceed \$102,000,000]

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 \$102,000,000 in one or more series of bonds**
6 **on a tax-exempt or taxable basis; authorizing the Director of the Mayor's Office of**
7 **Housing and Community Development ("Director") to submit an application and related**
8 **documents to the California Debt Limit Allocation Committee ("CDLAC") to permit the**
9 **issuance of residential mortgage revenue bonds in an aggregate principal amount not**
10 **to exceed \$102,000,000 for Building E Balboa Reservoir at 11 Frida Kahlo Way;**
11 **authorizing and directing the Director to direct the Controller's Office to hold in trust an**
12 **amount not to exceed \$100,000 in accordance with CDLAC procedures, if necessary;**
13 **authorizing the Director to certify to CDLAC that the City has on deposit the required**
14 **amount, if necessary; authorizing the Director to pay an amount equal to such deposit**
15 **to the State of California if the City fails to issue the residential mortgage revenue**
16 **bonds; authorizing and directing the execution of any documents necessary to**
17 **implement this Resolution, as defined herein; and ratifying and approving any action**
18 **heretofore taken in connection with the Project, as defined herein, and the Application,**
19 **as defined herein.**

20
21 WHEREAS, The Board of Supervisors of the City and County of San Francisco ("Board
22 of Supervisors"), after careful study and consideration, has determined that there is a
23 shortage of safe and sanitary housing within the City and County of San Francisco ("City"),
24 particularly for low and moderate income persons, and that it is in the best interest of the
25 residents of the City and in furtherance of the health, safety, and welfare of the public for the

1 City to assist in the financing of multi-family rental housing units; and

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

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

17 WHEREAS, Balboa Lee Avenue, L.P., a California limited partnership (or an affiliate
18 thereof or successor thereto) (the "Borrower") desires to construct or rehabilitate an 126-unit
19 affordable residential rental housing development located in Building E Balboa Reservoir at 11
20 Frida Kahlo Way ("Project"); and

21 WHEREAS, The Borrower has requested that the City assist in the financing of the
22 Project through the issuance of one or more series of bonds on a taxable basis in an amount
23 not to exceed \$34,000,000 ("Taxable Bonds"), and on a tax-exempt basis in an amount not to
24 exceed \$68,000,000 (collectively with the Taxable Bonds, "Bonds") for an aggregate principal
25 amount of not to exceed \$102,000,000; and

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

3 WHEREAS, The City intends to issue the Bonds in an amount not to exceed
4 \$102,000,000 and to loan the proceeds of the Bonds to the Borrower ("Loan") to finance the
5 costs of the Project; and

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

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

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

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

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

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

24 WHEREAS, Section 8869.85(b) of the Government Code requires that a local agency
25 file an application for a portion of the state ceiling with or upon the direction of the California

1 Debt Allocation Committee ("CDLAC") prior to the issuance of tax-exempt private activity
2 bonds, including qualified mortgage bonds; and

3 WHEREAS, CDLAC procedures require an applicant for a portion of the state ceiling to
4 certify to CDLAC, upon receipt of allocation, that the applicant has on deposit an amount
5 equal to one-half of one percent (0.5%) of the amount of allocation requested, not to exceed
6 \$100,000; now, therefore, be it

7 RESOLVED, By the Board of Supervisors of the City and County of San Francisco, as
8 follows:

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

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

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

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

24 Section 5. The maximum principal amount of debt expected to be issued for the Project
25 is \$102,000,000.

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

3 Section 7. The Board of Supervisors hereby authorizes the Director of the Mayor's
4 Office of Housing and Community Development, including any acting or interim director, or
5 such person's designee ("Director"), on behalf of the City, to submit an application
6 ("Application"), and such other documents as may be required, to CDLAC pursuant to
7 Government Code Section 8869.85 for an allocation for the Project of a portion of the state
8 ceiling for private activity bonds in a principal amount not to exceed \$102,000,000.

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

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

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

25 ///

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

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

By: /s/ KENNETH DAVID ROUX
KENNETH DAVID ROUX
Deputy City Attorney

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Project Description
Multifamily Securities Program
City and County of San Francisco

Balboa Reservoir Building E

Overview

The funds described in the “Financing Structure” section below will be used to finance the development of Balboa Reservoir Building E, a 128-unit affordable multifamily housing project to be located at approximately 11 Frida Kahlo Way, San Francisco, CA 94112 in the City and County of San Francisco (the “Project”).

Upon completion, the Project will include approximately 155,038 square feet of gross floor area, comprised of 117,422 square feet of residential area and 37,616 square feet of non-residential area. Non-residential spaces will include common spaces, balcony/terrace, circulation, utility and offices.

Total project costs, including the cost to acquire the land and construct new buildings, will be approximately \$119,519,858 or \$933,749 per dwelling unit.

The residential unit distribution, which will include 1 2-bedroom superintendent unit, and 1 3-bedroom superintendent unit is:

<u>Unit type</u>	<u>Number of units</u>
Studio	0
1-Bedroom	56
2-Bedroom	40
3-Bedroom	32
4-Bedroom	0

27 percent of the residential units will serve households earning less than 40 percent of the San Francisco County Area Median Income (AMI), while the balance of units will serve households earning less than 60 percent of AMI.

There is no form of rental subsidy in this project.

Residents

No residents will be displaced as the site is currently a vacant lot.

Site Description and Scope of Work

Address: 11 Frida Kahlo Way, San Francisco, CA 94112
Block/Lot: Block 3180, Lot 1

The scope of work for the property amenities will include:

- community room for the Balboa Reservoir community and Building E residents

- onsite property management and services offices
- on-site central laundry facility
- bicycle parking
- elevators
- shared balconies/terraces

Development and Management Team

Project Sponsor:	BRIDGE Housing Corporation
General Contractor:	Nibbi Brothers General Contractor and Pilot Construction Management
Architect of Record:	Van Meter Williams Pollack LLP
Property Manager:	BRIDGE Property Management Company

Project Ownership Structure

Borrower Entity: Balboa Lee Avenue LP

Managing General Partner/
Sole Member Balboa Lee Avenue LLC/ BRIDGE Housing Corporation

A to-be-selected investor limited partner 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);
- seller carryback financing from Balboa Lee Avenue LLC;
- a conventional first mortgage; and
- soft debt from the City.

The sale of LIHTC will generate equity financing for the Project. The amount of private activity tax-exempt bonds used during construction will be sized specifically to meet the 50% of aggregate basis test required for the LIHTC.

Schedule

Financing is anticipated to close between November 2022 and April 2023 with construction commencing within 15 days closing. All construction is scheduled to be completed by January 2025.

Narrative Description of Project Sponsor Experience

The Applicant is BRIDGE Housing Corporation, a California non-profit public benefit corporation (BRIDGE). The project will be developed and owned by Balboa Lee Avenue LP. BRIDGE will develop the building and provide property management and asset management services during operations.

BHC Balboa Builders LLC currently has site control of the land parcel and will close by December 2022. The land will be transferred to MOHCD concurrent with construction finance closing, and Balboa Lee Avenue LP will enter into a ground lease agreement with MOHCD in connection with the closing.

The principal for the Balboa Lee Avenue LP is Brad Wiblin, Executive Vice President of BRIDGE.

BRIDGE has 39 years of development experience and has developed over 4,000 units in the past five years. For more information on BRIDGE please visit <https://bridgehousing.com/>



San Francisco Ethics Commission

25 Van Ness Avenue, Suite 220, San Francisco, CA 94102

Phone: 415.252.3100 . Fax: 415.252.3112

ethics.commission@sfgov.org . www.sfethics.org

Received On:

File #: 220647

Bid/RFP #:

Notification of Contract Approval

SFEC Form 126(f)4

(S.F. Campaign and Governmental Conduct Code § 1.126(f)4)

A Public Document

Each City elective officer who approves a contract that has a total anticipated or actual value of \$100,000 or more must file this form with the Ethics Commission within five business days of approval by: (a) the City elective officer, (b) any board on which the City elective officer serves, or (c) the board of any state agency on which an appointee of the City elective officer serves. For more information, see: <https://sfethics.org/compliance/city-officers/contract-approval-city-officers>

1. FILING INFORMATION

TYPE OF FILING	DATE OF ORIGINAL FILING (for amendment only)
original	
AMENDMENT DESCRIPTION – Explain reason for amendment	

2. CITY ELECTIVE OFFICE OR BOARD

OFFICE OR BOARD	NAME OF CITY ELECTIVE OFFICER
Board of Supervisors	Members

3. FILER'S CONTACT

NAME OF FILER'S CONTACT	TELEPHONE NUMBER
Angela Calvillo	415-554-5184
FULL DEPARTMENT NAME	EMAIL
office of the clerk of the Board	Board.of.Supervisors@sfgov.org

4. CONTRACTING DEPARTMENT CONTACT

NAME OF DEPARTMENTAL CONTACT	DEPARTMENT CONTACT TELEPHONE NUMBER
Sara Amara1	415-948-4766
FULL DEPARTMENT NAME	DEPARTMENT CONTACT EMAIL
MYR Mayor's Office of Comm. Dvlpt	sara.amara1@sfgov.org

5. CONTRACTOR	
NAME OF CONTRACTOR Balboa Lee Avenue LP.	TELEPHONE NUMBER 415-989-1111
STREET ADDRESS (including City, State and Zip Code) 600 California St #900, San Francisco, CA 94108	EMAIL bwiblin@bridgehousing.com

6. CONTRACT		
DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)	ORIGINAL BID/RFP NUMBER	FILE NUMBER (If applicable) 220647
DESCRIPTION OF AMOUNT OF CONTRACT \$68,000,000		
NATURE OF THE CONTRACT (Please describe) Tax-exempt multifamily housing revenue bond financing for the construction of Building E Balboa Reservoir at 11 Frida Kahlo way		

7. COMMENTS
Tax-exempt multifamily housing revenue bond financing for the acquisition and rehabilitation of the [Project Name] project at [Address]

8. CONTRACT APPROVAL	
This contract was approved by:	
<input type="checkbox"/>	THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM
<input checked="" type="checkbox"/>	A BOARD ON WHICH THE CITY ELECTIVE OFFICER(S) SERVES Board of Supervisors
<input type="checkbox"/>	THE BOARD OF A STATE AGENCY ON WHICH AN APPOINTEE OF THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM SITS

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
1	Novack	Kenneth	Board of Directors
2	Moore	Connie	Board of Directors
3	Carlisle	Ray	Board of Directors
4	Carter	Daryl J.	Board of Directors
5	Freed	Robert	Board of Directors
6	Hagan	Joe	Board of Directors
7	Hemmenway	Nancy	Board of Directors
8	McAfee	Michael	Board of Directors
9	McNamara	Ed	Board of Directors
10	Nahas	Ron	Board of Directors
11	Quinn	Adrienne E	Board of Directors
12	Turner	Molly	Board of Directors
13	Stein	Paul	Board of Directors
14	Lombard	Kenneth T	Other Principal Officer
15	Luong	Thuong	Other Principal Officer
16	Sherman	Delphine	Other Principal Officer
17	Mather	Jim	Other Principal Officer
18	Creager	Kurt	Other Principal Officer
19	McKay	Kimberly	Other Principal Officer

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
20	Seshadri	Smitha	Other Principal Officer
21	wilbin	Brad	Other Principal Officer
22	Hlesbasko	Rebecca	Other Principal Officer
23	Doddapaneni	Aruna	Other Principal Officer
24	Loring	Alison	Other Principal Officer
25	Robinson	Simone	Other Principal Officer
26	Debor	Marie	Other Principal Officer
27	Fleming	Katherine	Other Principal Officer
28	Hesse	Thomas	Other Principal Officer
29	Hikida	Lyn	Other Principal Officer
30	kelley	Mary	Other Principal Officer
31	Lund	Erik	Other Principal Officer
32	Miranda	Kristine	Other Principal Officer
33	Neufeld	Susan	Other Principal Officer
34	wiedel	Christian	Other Principal Officer
35			
36			
37			
38			

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
39			
40			
41			
42			
43			
44			
45			
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47			
48			
49			
50			

☐ Check this box if you need to include additional names. Please submit a separate form with complete information. Select "Supplemental" for filing type.

10. VERIFICATION

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information I have provided here is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK

DATE SIGNED

BOS Clerk of the Board



President, Board of Supervisors
District 10

City and County of San
Francisco

SHAMANN WALTON

MEMORANDUM

DATE: June 7, 2022

TO: Angela Calvillo, Clerk of the Board of Supervisors
Board of Supervisors Legislative Division

FROM: President Shamann Walton

CC: Chair Dean Preston, Government Audit & Oversight
Anne Pearson, Deputy City Attorney
Tom Paulino, Mayor's Office
City Administrator's Office

SUBJECT: **Transferring Items from B&F to GAO**

Dear Madam Clerk and Legislative Division Staff,

I am hereby granting the request to transfer the following matters from the Budget & Finance Committee to the Government Audit & Oversight Committee due to the impacted schedule of the Budget & Finance Committee:

- 220544 [Agreement - LAZ Parking California, LLC - Parking Meter Coin and Parking Data Collection Services - Not to Exceed \$50,798,833]
- 220554 [Real Property Lease Amendment - Evans Investment Partners, LLC - 750 and 752 Vallejo Street - \$120,792 Annual Base Rent - Estimated \$267,382 Tenant Improvement Cost]
- 220599 [Contract Amendment - Professional Contractor Supply (PCS) - Purchase of Hardware Supplies - \$11,500,000]
- 220600 [Contract - Lystek International Limited - Class A Biosolids Management Services - Not to Exceed \$22,400,000]
- 220601 [Contract - Kemira Water Solutions - Ferric Ferrous Chloride - Not to Exceed \$26,000,000]
- 220602 [Contract - TR International Trading Company - Ferric Ferrous Chloride - Not to Exceed \$28,000,000]
- 220603 [Contract - Univar Solutions USA Inc. - Sodium Hypochlorite - Not to Exceed \$74,000,000]
- 220604 [Contract - Univar Solutions USA Inc. - Sodium Bisulfite - Not to Exceed \$19,000,000]
- 220608 [Multifamily Housing Revenue Bonds - 700-730 Stanyan Street - Not to Exceed \$130,000,000]
- 220645 [Accept and Expend Grant - California Arts Council - Design and Planning for Harvey Milk Plaza - \$1,500,000]
- 220646 [Multifamily Housing Revenue Bonds - Sunnydale HOPE SF Block 3A - Not to

Exceed \$74,000,000]

- 220647 [Multifamily Housing Revenue Bonds - Building E Balboa Reservoir - 11 Frida Kahlo Way - Not to Exceed \$102,000,000]