

File No. 220768

Committee Item No. 12

Board Item No. 38

# COMMITTEE/BOARD OF SUPERVISORS

## AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date July 13, 2022

Board of Supervisors Meeting Date July 19, 2022

### Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract/Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

### OTHER (Use back side if additional space is needed)

- Planning Commission Motion No. 19531 12/10/2015
- General Plan Findings - Attachment A
- Board Ordinance No. 15-17 2/1/2017
- Board Ordinance No. 19-17 2/3/2017
- Project Guidelines
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

Completed by: Brent Jalipa Date July 7, 2022

Completed by: Brent Jalipa Date July 14, 2022

1 [Standard Agreement - California Department of Housing and Community Development -  
2 California Housing Accelerator Program - Potrero Block B - \$94,836,486]

3 **Resolution authorizing the Mayor’s Office of Housing and Community Development on**  
4 **behalf of the City and County of San Francisco to execute a Standard Agreement and**  
5 **other related documents, as defined herein, with the State of California Department of**  
6 **Housing and Community Development (“HCD”) under the California Housing**  
7 **Accelerator Program which Standard Agreement includes an award of \$94,836,486 as a**  
8 **loan to Potrero Housing Associates II, L.P. (“Developer”), as sole borrower, for**  
9 **construction of a development affordable to low- and moderate-income families at**  
10 **Potrero Block B, located at 1801-25th Street for a term of five years to commence upon**  
11 **execution of the Standard Agreement by HCD.**

12  
13 WHEREAS, Potrero Housing Associates II, L.P., a California limited partnership  
14 (“Developer”), requested the City and County of San Francisco (the “City”), acting by and  
15 through the Mayor’s Office of Housing and Community Development (“MOHCD”), to be a joint  
16 applicant for HCD’s California Housing Accelerator Program funding for its 157-unit, 100%  
17 affordable housing project, ground floor early childhood education center and adjacent public  
18 mini park (the “Project”) identified as Potrero Block B (the “Potrero Block B”); in the Potrero  
19 HOPE SF Development Agreement (File Number 161161); and

20 WHEREAS, The Project consists of a 157-unit new construction development, which  
21 includes 2 units for onsite managers, 117 units as replacement units for public housing  
22 residents restricted at 30% and 50% City Median Income, and 38 units set aside for  
23 households with incomes at 30% and 50% City Median Income; and

24 WHEREAS, By Ordinance No. 19-17, approved on January 31, 2017, the Board of  
25 Supervisors made findings under the California Environmental Quality Act (Public Resources

1 Code, Sections 21000 et seq.) and findings of consistency with the General Plan, and the  
2 eight priority policies of Planning Code, Section 101.1, which Ordinance is on file with the  
3 Clerk of the Board of Supervisors in File No. 161308 and is incorporated herein by reference;  
4 and

5 WHEREAS, HCD issued the Tier I Project Solicitation and Guidelines (“NOFA”) dated  
6 October 5, 2021, establishing the California Housing Accelerator Program (the “Program”);  
7 and

8 WHEREAS, The Developer is an Eligible Applicant/Sponsor under the Program; and

9 WHEREAS, The Developer’s and the City’s application was successful and the parties  
10 were notified on February 16, 2022 (the “HCD Award”); and

11 WHEREAS, The HCD Award requires the Developer and the City, acting by and  
12 through MOHCD, to enter into a Standard Agreement and for the Developer, as the sole  
13 borrower (with no funds going to the City and all funds going to the Developer as the sole  
14 borrower), to enter into a loan in the amount of \$94,836,486 for the development and  
15 construction of the Potrero Block B Project; now, therefore, be it,

16 RESOLVED, That the Board of Supervisors approves and authorizes the MOHCD on  
17 behalf of the City, in consultation with the City Attorney, to enter into, execute, and deliver a  
18 Standard Agreement in an amount of \$94,836,486 which amount is in the form of a loan to the  
19 Developer, and any and all other documents required or deemed necessary or appropriate to  
20 participate in the Program, and all amendments thereto, under terms and conditions approved  
21 by the City Attorney providing that Program funds are to be used for allowable expenditures in  
22 accordance with the NOFA and Program Guidelines and Application Package; and, be it

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

25

1 FURTHER RESOLVED, That within thirty (30) days of the Standard Agreement being  
2 fully executed by all parties, MOHCD (or its designee) shall provide the final Standard  
3 Agreement to the Clerk of the Board for inclusion into the official file; and, be it

4 FURTHER RESOLVED, That the Board of Supervisors acknowledges and agrees that  
5 the City, acting by and through MOHCD, shall be subject to the terms and conditions specified  
6 in the Standard Agreement, and that the Solicitation and the Standard Agreement will be  
7 incorporated in the Standard Agreement by reference and made a part thereof; any and all  
8 activities, expenditures, information, and timelines represented in the Application are  
9 enforceable through the Standard Agreement; funds are to be used for the allowable  
10 expenditures, uses, and activities identified in the Standard Agreement; and, be it

11 FURTHER RESOLVED, That the Director of MOHCD, or his designee, is hereby  
12 authorized to execute the Standard Agreement on behalf of the Public Entity.

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Recommended:

\_\_\_\_\_/s/\_\_\_\_\_  
Eric D. Shaw. Director,  
Mayor's Office of Housing and Community Development

\_\_\_\_\_/s/\_\_\_\_\_  
London N. Breed, Mayor

**STANDARD AGREEMENT**

AGREEMENT NUMBER

PURCHASING AUTHORITY NUMBER (if applicable)

STD 213 (Rev. 04/2020)

21-ACC-17059

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

**CONTRACTING AGENCY NAME**

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

**CONTRACTOR'S NAME**

Potrero Housing Associates II, L.P., BRIDGE Housing Corporation, and City and County of San Francisco

2. The term of this Agreement is:

**START DATE**

Upon HCD Approval

**THROUGH END DATE**

Five (5) years from the Effective Date

3. The maximum amount of this Agreement is:

\$94,836,486.00

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

EXHIBITS	TITLE	PAGES
Exhibit A	Authority, Purpose and Scope of Work	7
Exhibit B	Budget Detail and Payment Provisions	2
Exhibit C*	State of California General Terms and Conditions	GTC - 04/2017
Exhibit D	State of California General Terms and Conditions	13
Exhibit E	Special Conditions	4
<b>TOTAL NUMBER OF PAGES ATTACHED</b>		<b>26</b>

*Items shown with an asterisk (\*), are hereby incorporated by reference and made part of this agreement as if attached hereto.**These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>*

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

**CONTRACTOR**

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

See Attached

CONTRACTOR BUSINESS ADDRESS See Attached	CITY See Attached	STATE See Attached	ZIP See Attached
PRINTED NAME OF PERSON SIGNING See Attached	TITLE		
CONTRACTOR AUTHORIZED SIGNATURE See Attached	DATE SIGNED See Attached		

**STATE OF CALIFORNIA****CONTRACTING AGENCY NAME**

Department of Housing and Community Development

CONTRACTING AGENCY ADDRESS 2020 W. El Camino Ave., Suite 130	CITY Sacramento	STATE CA	ZIP 95833
PRINTED NAME OF PERSON SIGNING	TITLE Contracts Manager, Business & Contract Services Branch		
CONTRACTING AGENCY AUTHORIZED SIGNATURE	DATE SIGNED		

California Department of General Services Approval (or exemption, if applicable)

Exempt per; SCM Vol. 1 4.04.A.3 (DGS memo dated 06/12/1981)

**CONTRACTOR**

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**Potrero Housing Associates II, L.P.**

a California limited partnership

By: Potrero Housing II LLC  
a California limited liability company

Its: General Partner

By: BRIDGE Housing Corporation  
a California nonprofit public benefit corporation

Its: Managing Member

By: \_\_\_\_\_ Date: \_\_\_\_\_

Kimberly McKay  
Executive Vice President

---

Address:

600 California Street, Suite 900  
San Francisco, CA 94108

---

**BRIDGE Housing Corporation**

a California nonprofit public benefit corporation

By: \_\_\_\_\_ Date: \_\_\_\_\_

Kimberly McKay  
Executive Vice President

---

Address:

600 California Street, Suite 900  
San Francisco, CA 94108

---

**City and County of San Francisco**

a municipal corporation, acting by and through the Mayor's Office of Housing and Community Development

By: \_\_\_\_\_ Date: \_\_\_\_\_

Eric D. Shaw  
Director, Mayor's Office of Housing and Community Development

---

Address:

1 South Van Ness Avenue, Fifth Floor. Attn: MOHCD  
San Francisco, CA 94103

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**AGREEMENT SUMMARY**

STD 215 (Rev. 04/2020)

SCO ID:

 CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED

AGREEMENT NUMBER

21-ACC-17059

AMENDMENT NUMBER

## 1. CONTRACTOR'S NAME

Potrero Housing Associates II, L.P., BRIDGE Housing Corporation, and City and County of San Francisco

2. FEDERAL I.D. NUMBER  
N/A

## 3. AGENCY TRANSMITTING AGREEMENT

Housing and Community Development

4. DIVISION, BUREAU, OR OTHER UNIT  
Financial Assistance5. AGENCY BILLING CODE  
N/A

## 6a. CONTRACT ANALYST NAME

Contracts Office

## 6b. EMAIL

LoanGrantContractsIntake@hcd.

## 6c. PHONE NUMBER

(916) 263-6872

## 7. HAS YOUR AGENCY CONTRACTED FOR THESE SERVICES BEFORE?

 NO  YES (If Yes, enter prior contractor name and agreement number)

PRIOR CONTRACTOR NAME

N/A

PRIOR AGREEMENT NUMBER

N/A

## 8. BRIEF DESCRIPTION OF SERVICES

New construction or rehabilitation of HCD-funded multi-family affordable housing projects. All funds shall be used only for expenses that would be categorized as project costs by the federal low-income housing tax credit program.

## 9. AGREEMENT OUTLINE (Include reason for Agreement: Identify specific problem, administrative requirement, program need or other circumstances making the Agreement necessary; include special or unusual terms and conditions.)

The California Housing Accelerator is intended to provide forgivable loans to expedite the construction and production of qualified shovel-ready projects that, despite having an Existing HCD Loan Commitment from one or more HCD loan programs, are unable to move forward due to funding gaps that resulted from the current shortage of tax-exempt bond allocations and low-income housing tax credits.

## 10. PAYMENT TERMS (More than one may apply)

- Monthly Flat Rate       Quarterly       One-Time Payment       Progress Payment
- Itemized Invoice       Withhold      0%       Advanced Payment Not To Exceed
- Reimbursement/Revenue      \$      \$ 0.00      or      0%
- Other (Explain)

## 11. PROJECTED EXPENDITURES

FUND TITLE	ITEM	FISCAL YEAR	CHAPTER	STATUTE	PROJECTED EXPENDITURES
Coronavirus Fiscal Recovery Fund of 2021	2240 164 8506 Cat.	2021/2022	21	2021	\$ 94,836,486.00

OBJECT CODE 22402000/46836 = \$94,836,486.00 5438000 - Loans, Transfers and Other Disbursements

AGREEMENT TOTAL

\$ 94,836,486.00

## OPTIONAL USE

AMOUNT ENCUMBERED BY THIS DOCUMENT

\$ 94,836,486.00

I certify upon my own personal knowledge that the budgeted funds for the current budget year are available for the period and purpose of the expenditure stated above.

PRIOR AMOUNT ENCUMBERED FOR THIS AGREEMENT

\$ 0.00

TOTAL AMOUNT ENCUMBERED TO DATE

\$ 94,836,486.00

ACCOUNTING OFFICER'S SIGNATURE

ACCOUNTING OFFICER'S NAME (Print or Type)

DATE SIGNED

AGREEMENT SUMMARY

STD 215 (Rev. 04/2020)

AGREEMENT NUMBER

21-ACC-17059

AMENDMENT NUMBER

12. AGREEMENT

Table with 5 columns: AGREEMENT, TERM FROM, TERM THROUGH, TOTAL COST OF THIS TRANSACTION, BID, SOLE SOURCE, EXEMPT. Rows include Original, Amendment No. 1, 2, 3, and a TOTAL row.

13. BIDDING METHOD USED:

- Request for Proposal (RFP) (Attach justification if secondary method is used)
Invitation for Bid (IFB)
Other (Explain) SCM 5.80,B.2.b
Use of Master Service Agreement
Sole Source Contract (Attach STD. 821)

Note: Proof of advertisement in the State Contracts Register or an approved form STD.821, Contract Advertising Exemption Request, must be attached.

14. SUMMARY OF BIDS (List of bidders, bid amount and small business status) (If an amendment, sole source, or exempt, leave blank.)

15. IF AWARD OF AGREEMENT IS TO OTHER THAN THE LOWER BIDDER, PLEASE EXPLAIN REASON(S). (If an amendment, sole source, or exempt, leave blank.)

16. WHAT IS THE BASIS FOR DETERMINING THAT THE PRICE OR RATE IS REASONABLE?

N/A

17a. JUSTIFICATION FOR CONTRACTING OUT (Check one)

- Contracting out is based on cost savings per Government Code 19130(a). The State Personnel Board has been so notified.
Contracting out is justified based on Government Code 19130(b). When this box is checked, a completed JUSTIFICATION - CALIFORNIA CODE OF REGULATIONS, TITLE 2, SECTION 54760 must be attached to this document.
Not Applicable (Interagency / Public Works / Other )

17b. EMPLOYEE BARGAINING UNIT NOTIFICATION N/A

By checking this box, I hereby certify compliance with Government Code section 19132(b)(1).

Table with 3 columns: AUTHORIZED SIGNATURE, SIGNER'S NAME (Print or Type), DATE SIGNED. All fields contain N/A.

18. FOR AGREEMENTS IN EXCESS OF \$5,000: Has the letting of the agreement been reported to the Department of Fair Employment and Housing? No Yes N/A

19. HAVE CONFLICT OF INTEREST ISSUES BEEN IDENTIFIED AND RESOLVED AS REQUIRED BY THE STATE CONTRACT MANUAL SECTION 7.10? No Yes N/A

20. FOR CONSULTING AGREEMENTS: Did you review any contractor evaluations on file with the DGS Legal Office? No Yes N/A

21. IS A SIGNED COPY OF THE FOLLOWING FILE AT YOUR AGENCY FOR THIS CONTRACTOR?

- A. Contractor Certification Clauses B. STD.204 Vendor Data Record
No Yes N/A No Yes N/A

22. REQUIRED RESOLUTIONS ARE ATTACHED No Yes N/A

23. IS THIS A SMALL BUSINESS AND/OR A DISABLED VETERAN BUSINESS CERTIFIED BY DGS? No Yes

SB/DVBE Certification Number: N/A

24. ARE DISABLED VETERANS BUSINESS ENTERPRISE GOALS REQUIRED?

(If an amendment, explain changes, if any) No (Explain Below) Yes % of Agreement

N/A

25. IS THIS AGREEMENT (WITH AMENDMENTS) FOR A PERIOD OF TIME LONGER THAN THREE YEARS? No Yes (If Yes, provide justification below)

N/A

I certify that all copies of the referenced Agreement will conform to the original Agreement sent to the Department of General Services.

Table with 3 columns: SIGNATURE, NAME/TITLE (Print or Type), DATE SIGNED. Name: Contracts Office / Contracts Analyst.



**AGREEMENT SUMMARY**

STD 215 (Rev. 04/2020)

AGREEMENT NUMBER

21-ACC-17059

AMENDMENT NUMBER

## JUSTIFICATION - CALIFORNIA CODE OF REGULATIONS, TITLE 2, SECTION 547.60

In the space provided below, the undersigned authorized state representative documents, with specificity and detailed factual information, the reasons why the contract satisfies one or more of the conditions set forth in Government Code section 19130(b). Please specify the applicable subsection. Attach extra pages if necessary.

*The undersigned represents that, based upon his or her personal knowledge, information or belief the above justification correctly reflects the reasons why the contract satisfies Government Code section 19130(b).*

SIGNATURE	NAME/TITLE <i>(Print or Type)</i>	DATE SIGNED	
PHONE NUMBER	STREET ADDRESS		
EMAIL	CITY	STATE	ZIP

## EXHIBIT A

### **AUTHORITY, PURPOSE AND SCOPE OF WORK**

#### 1. **Authority**

California Assembly Bill No. 140 (Chapter 111, Statutes of 2021) ("**AB 140**") created the statutory basis for the California Housing Accelerator by adding Chapter 6.6 (commencing with Section 50672) to Part 2 of Division 31 of the Health and Safety Code. Health and Safety Code section 50672.3 authorizes the Department of Housing and Community Development ("**Department**" or "**HCD**") to adopt guidelines to administer this new chapter.

The Department issued a California Housing Accelerator Tier 1 Project Solicitation and Guidelines on September 16, 2021, which was subsequently amended on October 5, 2021 (collectively, "**Project Solicitation**"). This Project Solicitation serves as the Department's guidelines for administration of the California Housing Accelerator.

California Housing Accelerator funds are derived from the federal Coronavirus State Fiscal Recovery Fund ("**CSFRF**"), which was established by the American Rescue Plan Act of 2021 ("**ARPA**") (Pub.L. No. 117-2). Through the 2021-22 California state budget, the funds have been allocated to the California Housing Accelerator.

This STD 213, Standard Agreement ("**Agreement**") is entered under the authority and in furtherance of the California Housing Accelerator. This Agreement is the result of an application by the Sponsor(s) for California Housing Accelerator funding (the "**Application**"). As such, this Agreement shall be executed by all Sponsors. Where the Sponsor comprises more than one entity, all Co-Sponsor entities shall execute and be bound by the Agreement.

This Agreement hereby incorporates by reference the Application in its entirety, as well as the project report prepared by the Department in reliance on the representations and descriptions included in that Application. This Agreement is governed by the following legal authorities and materials, as amended and in effect from time to time (collectively, the "**California Housing Accelerator Requirements**"), and each of them is incorporated hereto as if set forth in full herein:

- A. Chapter 6.6 (commencing with Section 50672) of Part 2 of Division 31 of the Health and Safety Code:
- B. Health and Safety Code section 50406;

- C. The Project Solicitation;
- D. ARPA and related federal guidance;
- E. The award letter issued by the Department to the Sponsor(s); and
- F. All other applicable law.

## 2. **Purpose**

The California Housing Accelerator is intended to expedite the construction and production of Qualified Rental Housing Developments, as defined below, that are unable to proceed due to inability to obtain tax credit and bond allocations.

The Department will provide California Housing Accelerator assistance in the form of a forgivable loan (the “**Loan**”).

Sponsor(s) applied to the Department for the Loan, which will be expended on Eligible Uses, as defined in Paragraph 3 and as outlined in Paragraph 4 below. By entering into this Agreement and thereby accepting the award of the Loan, the Sponsor(s) agrees to comply with the California Housing Accelerator Requirements and the terms and conditions of this Agreement.

## 3. **Definitions**

Any capitalized terms that are not defined below have the definitions set forth in the California Housing Accelerator Requirements. In the event of any conflict, the definitions in this Agreement and the Project Solicitation are controlling.

- A. “**Application Fee**” means the refundable fee of \$40,000.00, which the Department charged per California Housing Accelerator application. This fee will be fully refunded if the Sponsor meets the Commencement of Construction Deadline, or if the Project obtains a tax credit allocation prior to the Commencement of Construction Deadline and the California Housing Accelerator funds are disencumbered.
- B. “**Assisted Unit**” means a Department-funded residential dwelling unit that is subject to rent, income, occupancy, and other restrictions in accordance with California Housing Accelerator Requirements.

- C. **“Borrower”** means the entity that incurs the obligation for the Loan that is subject to California Housing Accelerator Requirements.
- D. **“California Housing Accelerator Requirements”** means the legal authority and California Housing Accelerator materials listed at Paragraph 1 (A – F), above.
- E. **“CDLAC”** means the California Debt Limit Allocation Committee.
- F. **“Commencement of Construction Deadline”** means the date, no later than 180 days from the date of the award, by which construction shall have commenced on the Project, or that extended date, up to 90 days beyond the 180-day period, which was approved by the Department in its sole and absolute discretion and on the basis of conditions beyond the control of the Sponsor. This date is identified with specificity at Exhibit E of this Agreement. For purposes of this definition, “commencement of construction” means the first land-disturbing activity associated with a project, including land preparation such as clearing, grading, and filling, or the first alteration of any wall, ceiling, floor, or other structural part of a building, whether or not that alteration affects the external dimensions of the building.
- G. **“Eligible Uses”** means the expenses that are categorized as reasonable project costs by the federal low-income housing tax credit program (e.g., reasonable reserves), as well as the construction loans that funded such expenses, and any other expenses allowed by the Department in its sole and absolute discretion.
- H. **“Existing HCD Commitment”** means the commitment of Department funds to the Qualified Rental Housing Development that predated the Application for California Housing Accelerator funds, as well as the Department loan program making that commitment.
- I. **“Homeless Household”** means a household that meets one of the (1) – (4) criteria set forth at California Code of Regulations, title 4, section 10315, subdivision (b), unless the Existing HCD Commitment is based on a different definition of this or a similar term, in which case the definition associated with the Existing HCD Commitment shall apply.
- J. **“Local Public Entity”** is defined at Health and Safety Code section 50079, and means any county, city, city and county, the duly constituted governing body of an Indian reservation or rancheria, tribally designated housing entity as defined in Section 4103 of Title 25 of the United States Code and Section 50104.6.5, redevelopment agency organized pursuant to Part 1 (commencing with Section 33000) of Division 24, or housing authority organized pursuant to Part 2 (commencing with Section 34200) of Division 24, and also includes any state

agency, public district, or other political subdivision of the state, and any instrumentality thereof, that is authorized to engage in or assist in the development or operation of housing for persons and families of low or moderate income. In addition, and in accord with this Health and Safety Code definition, the term “**Local Public Entity**” also includes two or more local public entities acting jointly.

- K. “**Performance Milestones**” means the indicators and metrics of progress and performance that are identified as such at Exhibit E of this Agreement. Sponsor’s failure to satisfy any one of the Performance Milestones will constitute a breach of this Agreement and will entitle the Department to exercise any and all available remedies, including the recapture of disbursed Loan funds and the cancellation of this Agreement.
- L. “**Permanent Loan Conversion**” means the Project has leased up to a minimum of 90 percent occupancy for at least 30 days in accordance with the applicable Department funding requirements; the units have been leased to the appropriate or designated populations identified at Exhibit E, and they have met the terms and conditions of all Department funding awarded to the Project; and all construction period financing has been paid off or converted to permanent financing.
- M. “**Permanent Loan Conversion Deadline**” means the date of November 30, 2026. This date is the disbursement and expenditure deadline for all California Housing Accelerator funds.
- N. “**Project**” or “**Rental Housing Development**” means the following: (i) a “qualified low-income housing project,” as defined in Section 42(g) of the Internal Revenue Code (26 U.S.C. § 42(g)); or (ii) a Qualifying Infill Project, as defined under the Infill Incentive Grant Program of 2007 or the Infill Infrastructure Grant Program of 2019, that meets the requirements of those programs. A “**Project**” or “**Rental Housing Development**” must also be a “**Qualified Rental Housing Development**.”
- O. “**Qualified Rental Housing Development**” is defined in accordance with Health and Safety Code section 50672.1, subdivision (e), and means a rental housing development that received an award letter from any multifamily housing program administered by the Department.
- P. “**Scope of Work**” or “**Work**” means the work to be performed by the Sponsor to accomplish the California Housing Accelerator purpose.
- Q. “**Sponsor**” is defined in accordance with Health and Safety Code sections 50675.2 and 50669. When the Sponsor comprises two or more entities, the entities may be referred to, both individually and collectively, as the “Sponsor.” Each such

entity may also be referred to individually as a **“Co-Sponsor.”** The Sponsor structure shall include any Local Public Entity that is a Co-Sponsor of the Existing HCD Commitment; such Local Public Entity shall execute the Standard Agreement as a duly authorized Co-Sponsor prior to construction loan closing. The Sponsor entities shall be bound by the California Housing Accelerator Standard Agreement, and by each and every one of the California Housing Accelerator terms, conditions, and restrictions. On the STD 213 portion of this Agreement, the Sponsor is identified as the Contractor.

- R. **“TCAC”** means the California Tax Credit Allocation Committee.
- S. **“UMR”** means the Uniform Multifamily Regulations (Cal. Code Regs., tit. 25, § 8300 et seq.), effective November 15, 2017, and as subsequently amended.

**4. Eligible Uses**

Sponsor shall apply the Loan to Eligible Uses, as defined in Paragraph 3 of this Agreement. The Department reserves the right to disallow expenditures that do not constitute Eligible Uses, as determined by the Department in its sole and absolute discretion. The Department reserves the right, consistent with applicable law, to require prior written approval of all reserve withdrawals, regardless of whether the reserve was required by the Department.

Sponsor’s use of the funds and Scope of Work are specified at Exhibit E of this Agreement.

**5. California Housing Accelerator Deadlines**

- A. The Project must commence construction no later than the Commencement of Construction Deadline, as specified at Exhibit E of this Agreement. The Department may, in its sole and absolute discretion, extend the Commencement of Construction Deadline due to conditions beyond the control of the Sponsor, for a period not to exceed 90 days.

Failure to meet the Commencement of Construction Deadline, or any Department-approved extension, will result in the forfeiture of the Application Fee and the California Housing Accelerator award. Such failure will also cause the Department to assess negative points when scoring any future application by the Sponsor for Department funding, unless the Sponsor secures a CDLAC/TCAC allocation, and the California Housing Accelerator funds are disencumbered by the Commencement of Construction Deadline.

- B. Within seven (7) months of the award, the Sponsor shall submit documentary evidence to the Department that construction commenced by the Commencement of Construction Deadline. Sponsor shall make this showing as specified by Paragraph 7 of Exhibit A of this Agreement.
- C. The Loan proceeds shall be disbursed through escrow and expended on Eligible Uses no later than **November 30, 2026**.

## 6. Performance Milestones

Sponsor shall complete each of the Performance Milestones set forth at Exhibit E of this Agreement by the date designated for such completion therein (each a “**Milestone Completion Date**”). The Performance Milestones shall include, but not be limited to, the Commencement of Construction Deadline, any deadlines for the submission of necessary documentary evidence, and any reporting deadlines.

Sponsor may apply to the Department for an extension of any such Milestone Completion Date. Approval of any such extension request shall be in the Department’s reasonable discretion. In no event will the Department approve an extension request in the absence of Sponsor’s demonstration of good cause for said extension, along with Sponsor’s reasonable assurances that the extension will not result in Sponsor’s failure to meet other Performance Milestones under this Agreement. In no event will the Department approve an extension of the Construction Commencement Deadline beyond the statutorily authorized 90 days.

## 7. Reporting Requirements

- A. Sponsor shall comply with all reporting requirements set forth at Section II.E.10 of the Project Solicitation or in this Agreement, all in accordance with any Milestone Completion Date(s) set forth at Exhibit E of this Agreement.
- B. After satisfaction of each Performance Milestone, the Sponsor shall promptly report its progress, in writing, to the Department.
- C. Within seven (7) months of the award, the Sponsor shall submit documentary evidence to the Department that construction commenced by the Commencement of Construction Deadline. If the Department extends the Commencement of Construction Deadline, as authorized, the Sponsor’s deadline for submitting the foregoing documentary evidence shall be extended in the same increment as the extension of the Commencement of Construction Deadline. Qualifying forms of documentary evidence include the following:

- i. Recordation of a notice of commencement;
- ii. Date- and time-stamped photographs;
- iii. Physical inspection report; or
- iv. Other documentation subject to the approval of the Department.

Failure to submit qualifying documentary evidence within the specified timeframes may result in forfeiture of the Application Fee, forfeiture of the award, and/or an assessment of negative points relative to any future application for Department funding.

**8. Department Contract Coordinator**

The Department's Contract Coordinator for this Agreement is the Program Manager for the California Housing Accelerator. Unless otherwise informed, Sponsor shall mail any notice, report, or other communication required under this Agreement by First-Class Mail to the Department Contract Coordinator at the following address:

California Department of Housing and Community Development  
California Housing Accelerator Program Manager  
Division of State Financial Assistance – PDI Branch  
P. O. Box 952054  
Sacramento, CA 94252-2054

**9. Sponsor Contract Coordinator**

Unless otherwise informed, the Department shall mail any notice, report, or other communication required under this Agreement by First-Class Mail, or through a commercial courier, to the Sponsor Contract Coordinator at the address specified at Exhibit E of this Agreement.



## EXHIBIT B

### **BUDGET DETAIL AND PAYMENT PROVISIONS**

#### **1. Terms of Loan**

Sponsor has been awarded a forgivable Loan in the amount set forth in this Agreement. The Loan will have an interest rate of 0 percent for 20 years. The 20-year term will commence on the date of recordation of the California Housing Accelerator Loan documents. There will be no residual receipts or periodic payment requirements during the life of the Loan.

The Loan will be forgiven by the Department at the end of the 20-year loan term if all of the following are true at that time, as determined by the Department in its sole and absolute discretion:

- A. Sponsor remains in good standing with the California Secretary of State;
- B. The Project is not in default under the terms of any of the Department's loan documents for that Project; and
- C. Negative points have not been assessed against the Sponsor during the previous five (5) years in connection with any Department-assisted project.

The Loan shall be subject to repayment if, during the 20-year term, the Project is (i) converted to market-rate housing; or (ii) sold or refinanced with a distribution of net equity. The amount of any funds expended by the Department for the purposes of curing or averting a default will be added to the Loan amount secured by the Project payable to the Department upon demand.

#### **2. Payment**

At the time of the Project's permanent financing closing, all California Housing Accelerator Loan proceeds must be disbursed through an independent escrow/title company licensed to do business in the State of California. The Department shall prepare and submit escrow instructions to the escrow holder. The Department's escrow instructions will further detail the requirements for, and conditions to, the release of Loan proceeds to the Sponsor.

The Loan proceeds will be released through escrow upon the Sponsor's, or its assignee's, submittal of the STD 204, Payee Data Record, and the HCD 846, Request for Funds, and, in all events, upon the Sponsor's satisfaction of the terms and conditions of this

Agreement and all applicable California Housing Accelerator Requirements. The Department reserves the right to retain 10 percent of the approved Loan proceeds pending receipt and acceptance of the cost audit and any outstanding loan closing items.

**3. Duplication of Benefit**

Sponsor may not use California Housing Accelerator funding to cover expenditures that have already been funded through other permanent sources. Expenses that have been or will be reimbursed under any federal or state program are not Eligible Uses of California Housing Accelerator funding.

**EXHIBIT D**

**CALIFORNIA HOUSING ACCELERATOR**  
**GENERAL TERMS AND CONDITIONS**

**1. Effective Date, Term of Agreement, Timing, and Deadlines**

- A. This Agreement, when fully executed by the Department and the Sponsor, is effective upon the date of the Department representative's signature on the STD 213, Standard Agreement (such date, the "**Effective Date**").
- B. This Agreement will terminate five (5) years after the Effective Date, as stated in Paragraph 2 of the STD 213, Standard Agreement (such date, the "**Expiration Date**").
- C. The Department will make best efforts to do the following as of the construction loan closing date: (a) review all transaction documents that are made available to the Department in advance of closing; and (b) opine as to the legal sufficiency of those documents for purposes of the California Housing Accelerator Loan and the Existing HCD Commitment(s). For purposes of this subparagraph, "transaction documents" includes, but is not limited to, construction and permanent loan documents; environmental reports; preliminary reports from title companies; surveys; appraisals; authorization and organizational documents; property management agreements; applicable leases; and relocation plans or certifications.
- D. The Sponsor shall close the construction financing approved by the Department and commence construction of the Project in accordance with the Performance Milestones approved by the Department. Upon the Department's request, the Sponsor shall promptly provide evidence of recorded deeds of trust for all construction financing, payment of all construction lender fees, issuance of building permits, and the notice to proceed delivered to the contractor. Evidence of a grading permit is not sufficient for purposes of this subparagraph.
- E. The Loan proceeds shall be disbursed through escrow and expended on Eligible Uses no later than **November 30, 2026**. If Sponsor fails to meet this Permanent Loan Conversion Deadline, the Department will terminate this Agreement and exercise its remedies in accordance with Paragraph 3 of Exhibit D, unless an alternate arrangement is legally permissible and has been approved by the Department in advance and in writing.

**2. Existing HCD Commitment - General Terms and Conditions of Standard Agreement**

This Agreement incorporates by reference the Department's General Terms and Conditions set forth in each Existing HCD Commitment's STD 213, Standard Agreement (the "**Existing HCD General Terms and Conditions**"). (The Existing HCD General Terms and Conditions may, but need not, be set forth at Exhibit D of each Existing HCD Commitment's STD 213, Standard Agreement.) Each Existing HCD Commitment is identified at Paragraph 1 of Section A of Exhibit E of this Agreement.

In the event of any conflict between the Existing HCD General Terms and Conditions, this Agreement and the California Housing Accelerator Requirements, the California Housing Accelerator Requirements shall control. In no event shall the Existing HCD General Terms and Conditions be interpreted to frustrate, limit, or impair the Department's objectives, rights, and remedies in connection with the California Housing Accelerator.

**3. Termination for Cause**

The Department may terminate this Agreement for cause at any time by giving at least fourteen (14) calendar days' advance written notice to the Sponsor. Such termination will not limit any other remedies that may be available to the Department under this Agreement, at law, or in equity. Cause consists of Sponsor's breach of, or failure to satisfy, any of the terms or conditions of this Agreement. Cause includes but is not limited to the following:

- A. Sponsor's failure to meet the Permanent Loan Conversion Deadline by **November 30, 2026**.
- B. Sponsor's failure to timely satisfy each or any of the conditions set forth in these California Housing Accelerator General Conditions, the Project-Specific Provisions and Special Terms and Conditions set forth at Exhibit E of this Agreement (including any one of the Performance Milestones), or the award letter.
- C. Sponsor's violation of any of the California Housing Accelerator Requirements.
- D. The Department's determination that:
  - 1) Any material fact or representation, made or furnished to the Department by the Sponsor in connection with the Application or the award letter, is untrue or misleading at the time that such fact or representation was made

known to the Department, or subsequently becomes untrue or misleading;  
or

- 2) Sponsor has concealed any material fact from the Department related to the Application or the Project.
- E. Filing of a petition by Sponsor, or any affiliate or general partner of Sponsor, for relief under the Bankruptcy Code; the filing of any pleading or answer by Sponsor, or any affiliate or general partner of Sponsor, in any involuntary proceeding under the Bankruptcy Code; a general assignment by Sponsor, or any affiliate or general partner of Sponsor, for the benefit of creditors; or the filing of an application for the appointment of a receiver, trustee, custodian or liquidator of Sponsor or any of its property, or of any affiliate or general partner of Sponsor or any of its property.
  - F. Failure of Sponsor, or of any affiliate or general partner of Sponsor, to effect a full dismissal of any involuntary petition under the Bankruptcy Code that is filed against Sponsor, or any affiliate or general partner of Sponsor, or that in any way restrains or limits Sponsor, any affiliate or general partner of Sponsor, or the Department regarding the Loan or the Project, prior to the earlier of the entry of any court order granting relief sought in such involuntary petition, or thirty (30) days after the date of filing of such involuntary petition.
  - G. Attachment, levy, execution, or other judicial seizure of any portion of the Project, or any substantial portion of the other assets of Sponsor, or of any affiliate or general partner of Sponsor, that is not released, expunged, bonded, discharged, or dismissed within thirty (30) days after the attachment, levy, execution, or seizure.
  - H. Pendency of any proceeding challenging the legal existence or authority of Sponsor, or of any affiliate or general partner of Sponsor, or the pendency of any proceeding challenging the legality of the Project.
  - I. The Department's determination that the objectives and the requirements of the California Housing Accelerator cannot be met in accordance with applicable timeframes, as memorialized by this Agreement.

In the event of this or any other breach, violation, or default by the Sponsor, the Department may give written notice to the Sponsor to cure the breach, violation, or default. If the breach, violation, or default is not cured to the Department's satisfaction within 30 days or such other reasonable time as determined by the Department in its

sole and absolute discretion and based on the totality of the circumstances, then the Department may declare a default under this Agreement and seek any and all remedies that are available under this Agreement, at law, or in equity.

#### **4. Cancellation**

- A. It is mutually understood between the parties that this Agreement may have been written for the mutual benefit of both parties before ascertaining the availability of congressional appropriation of funds to avoid program and fiscal delays that would occur if this Agreement were executed after that determination was made.
- B. This Agreement is valid and enforceable only if sufficient funds are made available to the State of California by the United States Government for fiscal years 2021-2022 through 2025-2026 for CSFRF purposes. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or to any statute enacted by the Congress that may affect the provisions, terms, or funding of this Agreement in any manner.
- C. The parties mutually agree that if the Congress does not appropriate sufficient funds for the CSFRF, this Agreement will be amended to reflect any subsequent reduction in CSFRF funds.
- D. The Department may cancel this Agreement, in whole or in part, if (i) sufficient funds are not made available by the United States Government; (ii) Congress enacts any restrictions, limitations, or conditions that impact this Agreement or the funding of this Agreement; or (iii) cancellation is otherwise permitted under state contracting law.
- E. To cancel this Agreement pursuant to this paragraph, the Department shall give thirty (30) calendar days' advance written notice to the Sponsor. The Sponsor shall return any unexpended portion of its Loan award to the Department within thirty (30) calendar days from the date on the Department's written notice of cancellation, unless (i) the parties have agreed upon an alternate arrangement in advance and in writing; or (ii) an alternate arrangement is necessary for one or both parties to remain in compliance with ARPA or other applicable law.

#### **5. Sponsor Liability**

Sponsor shall remain liable to the Department for performance under this Agreement and compliance with all California Housing Accelerator Requirements regardless of any

Department-approved transfer or assignment of interest, or of any designation of a third party for the undertaking of all or any part of the Scope of Work. Likewise, each Co-Sponsor shall remain jointly and severally liable to the Department for performance under this Agreement and compliance with all California Housing Accelerator Requirements regardless of any Department-approved transfer or assignment of interest, or of any designation of a third party for the undertaking of all or any part of the Scope of Work.

**6. Disputes**

In the event of any conflict between this Agreement and any documents internal to the Sponsor or Borrower (e.g., limited partnership agreement), this Agreement and the California Housing Accelerator Requirements will prevail, are applicable, and will be enforceable by the Department, notwithstanding, without limitation, any prior or preliminary review or approval of any such documents by the Department at the time of construction loan closing or otherwise.

**7. Consent**

The parties agree that wherever the consent or approval of the Department or the Sponsor is required under this Agreement, such consent or approval must not be unreasonably withheld, conditioned, or delayed, unless the same is specified as being in that party's sole and absolute discretion or other words of similar import.

**8. Relocation Plan**

Sponsor must comply with all applicable federal, state, and local relocation law. Pursuant to relocation law, a Sponsor must have a relocation plan prior to proceeding with any phase of a Project or other activity that will result in the displacement of persons, businesses, or farm operations. To ensure that displaced persons and entities do not suffer a disproportionate impact as a result of Projects which benefit the public, all notices to vacate and relocation services must be provided to them in accordance with applicable law.

Before this Agreement will be executed, Sponsor must have either:

- A. A Department-approved relocation plan; or
- B. A Department-issued Certification Regarding Non-Application of Relocation Benefits and Indemnification Agreement, which has been duly executed by the Sponsor and approved by the Department.

Where the Sponsor's activities will or may result in displacement, the Sponsor's development budget must include enough funds to pay all costs of relocation benefits and assistance.

Any modifications to the foregoing process requirements are set forth at Exhibit E of this Agreement.

**9. Article XXXIV**

Article XXXIV, section 1 of the California Constitution ("**Article XXXIV**") is not applicable to development that consists of the acquisition, rehabilitation, reconstruction, alterations work, new construction, or any combination thereof, of lodging facilities or dwelling units using moneys appropriated and disbursed pursuant to Chapter 6.6 (commencing with Section 50672) of Part 2 of Division 31 of the Health and Safety Code. (Health & Saf. Code, § 37001, subd. (h)(4).) As such, Article XXXIV is not applicable to California Housing Accelerator-funded Projects.

**10. Updated Information**

Sponsor shall provide the Department updated documentation for any change in the information previously provided relating to the California Housing Accelerator Loan, including updated sources and uses and income information. All changes shall be subject to Department approval. However, if the Project is changed in any way as to make it ineligible for California Housing Accelerator funding, then the California Housing Accelerator Loan commitment will be cancelled, and all California Housing Accelerator Loan funds awarded to the Sponsor shall be disencumbered.

**11. Prevailing Wages**

This Project is subject to California's prevailing wage law (Lab. Code, § 1720 et seq.). The Sponsor is urged to seek professional legal advice about the law's requirements. Prior to closing the Loan, the Department will require a certification of compliance with California's prevailing wage law, as well as all applicable federal prevailing wage law. The certification must verify that prevailing wages have been or will be paid (if such payment is required by law), and that labor records will be maintained and made available to any enforcement agency upon request. The certification must be signed by the general contractor(s) and the Sponsor.



**12. Insurance**

The Sponsor shall obtain, and maintain for the term of the Loan, hazard and liability insurance for the Project in accordance with the Department's requirements, including flood insurance, if applicable. The Department shall be named as a loss payee or an additional insured on all such policies. Such policies must also provide for notice to the Department in the event of any lapse of coverage and in the event of any claim thereunder. Prior to disbursement of the California Housing Accelerator Loan, the Sponsor shall provide evidence satisfactory to the Department of compliance with these insurance requirements.

**13. California Housing Accelerator Loan Documents**

The Sponsor shall enter into this Agreement with the Department, which shall govern the encumbrance of the California Housing Accelerator Loan funds.

In addition, California Housing Accelerator terms, conditions, and restrictions will be expressly incorporated into the loan documents of the Existing HCD Commitment.

The Department will append and incorporate a California Housing Accelerator exhibit into the Existing HCD Commitment's loan regulatory agreement to be recorded on the property. The exhibit will set forth the Project's California Housing Accelerator-specific requirements, terms, and conditions. The exhibit will impose, for a 55-year period, the same income, occupancy, and rent restrictions that were represented in the Sponsor's most recent unsuccessful application to TCAC/CDLAC, and it will require the same service amenities that were represented in that application. The Department may, however, expressly approve alternative California Housing Accelerator restrictions and required service amenities for the purpose of maintaining consistency with the Existing HCD Commitment. The regulations, guidelines, and other terms of the Existing HCD Commitment shall govern the integrated regulatory agreement.

California Housing Accelerator requirements, terms, and conditions will also be incorporated into the promissory note and deed of trust of the Existing HCD Commitment, as well as any other of the Existing HCD Commitment's loan documents, as necessary and appropriate. All such documents will be executed and recorded, as appropriate, at permanent financing close of escrow. For Projects secured by leasehold security, leases must meet the requirements of UMR section 8316, and both the Borrower and the fee owner of the property must execute the Department's form template lease rider without modification. The lease rider amends the lease and must be recorded on the fee estate.

**14. Cross-Default**

A default under any other Department loan(s) to the Project, will constitute a default under the California Housing Accelerator assistance. If such default continues beyond any applicable cure period, the Department will avail itself of any and all remedies.

**15. Restrictions on Transfer and Change of Ownership**

The Sponsor shall not, without the prior written approval of the Department:

- A. sell, transfer, convey, encumber, hypothecate or pledge any of the Project or the Project property, or any portion or interest in either of them;
- B. discharge or replace any general or managing partner if Sponsor is a partnership, or amend, modify or add to its partnership agreement except that the Sponsor may sell or transfer limited partnership interests without the Department's approval;
- C. if Sponsor is a limited liability company: change the manager(s), amend, modify or add to its operating agreement or management structure;
- D. wind up, liquidate or dissolve its affairs or enter into any transaction of merger or consolidation; or
- E. change the organizational structure of the Sponsor.

**16. Accessibility**

The Project shall comply with all state and federal accessibility requirements, including, without limitation, the specific requirements set forth in the Project Solicitation.

**17. Compliance with State and Federal Laws, Rules, Guidelines and Regulations**

The Sponsor agrees to comply with all state and federal laws, rules and regulations that pertain to construction, health and safety, labor, fair employment practices, equal opportunity, and all other matters applicable to the Development, the Sponsor, its contractors or subcontractors, and any Loan activity.

**18. Sponsor Representations**

- A. Sponsor represents and warrants that, as of the date of this Agreement, the Sponsor is a duly organized and validly existing entity under California law and the

person signing this Agreement on behalf of Sponsor has the authority to act on behalf of and to bind the Sponsor in accordance with the terms of this Agreement.

- B. Sponsor represents and warrants that, as of the date of the Loan closing, the Borrower may be a duly organized and validly existing limited partnership under California law, and that such limited partnership will have the authority to participate in the California Housing Accelerator subject to all California Housing Accelerator Requirements.
- C. Sponsor further represents and warrants that, as of the date of the Loan closing, the person(s) executing the Loan documents will have full authority to act on behalf of and to bind the Sponsor in accordance with the terms of those documents.

**19. Survival of Obligations**

The obligations of the Sponsor as set forth in this Agreement shall survive the California Housing Accelerator Loan closing, and the Sponsor shall continue to cooperate with the Department and perform acts and provide documents as provided herein.

**20. Litigation**

If any provision of this Agreement, or an underlying obligation, is held invalid by a court of competent jurisdiction, such invalidity, at the sole and absolute discretion of the Department, shall not affect any other provisions of this Agreement and the remainder of this Agreement shall remain in full force and effect. Therefore, the provisions of this Agreement are, and shall be, deemed severable. The Sponsor shall notify the Department immediately of any claim or action undertaken by or against it which affects or may affect this Agreement or the Department and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement and the interests of the Department.

**21. Obligations of Sponsor with Respect to Certain Third-Party Relationships**

The Sponsor shall remain fully obligated under the provisions of this Agreement notwithstanding its designation of any third party or parties for the undertaking of all or any part of the Project with respect to which assistance is being provided under this Agreement. The Sponsor shall comply with all lawful requirements of the Department necessary to ensure the completion, occupancy and use of the Project in accordance with this Agreement.

**22. Waivers**

No waiver of any breach of this Agreement shall be held to be a waiver of any prior or subsequent breach. The failure of the Department to enforce at any time the provisions of this Agreement or to require at any time performance by the Sponsor of these provisions shall in no way be construed to be a waiver of such provisions nor to affect the validity of this Agreement or the right of the Department to enforce these provisions.

**23. Retention, Inspection, and Audit of Records**

Sponsor is responsible for maintaining records which fully disclose the activities funded by the Loan. Sponsor shall retain all records for a minimum period of five (5) years after final payment under this Agreement, unless a longer retention period is stipulated. If any litigation, claim, negotiation, audit, monitoring, inspection or other action commences during this required retention period, all records must be retained until a full and final resolution of the action.

The Department, as well as its appointees, employees, agents, and delegates, shall have the right to review, obtain, and copy all records (electronic or otherwise) pertaining to performance under this Agreement. The U.S. Department of the Treasury and any authorized oversight body or representative, including, without limitation, the Treasury's Office of Inspector General, the Government Accountability Office, and the Pandemic Relief Accountability Committee, shall have the right of access to such records in order to conduct audits or other investigations. Sponsor shall provide any relevant information requested, and shall permit access to its premises, upon reasonable notice and during normal business hours, for the purpose of interviewing employees and inspecting and copying books, records, accounts, and other relevant material.

At any time during the term of this Agreement, the Department may perform or cause to be performed a financial audit of any and all phases of the Project. At the Department's request, the Sponsor shall provide, at its own expense, a financial audit prepared by a certified public accountant. The audit shall be performed by a qualified state, local, independent, or Department auditor. Where an independent auditor is engaged, the audit services agreement shall include a clause which permits the Department to have access to the independent auditor's relevant papers, records, and work product.

If there are audit findings, the Sponsor shall submit a detailed response to the Department for each audit finding. The Department will review the response. If the Department determines, in its sole and absolute discretion, that the response is satisfactory, the Department will conclude the audit process and notify the Sponsor in

writing. If the Department determines, in its sole and absolute discretion, that the response is not satisfactory, the Department will contact the Sponsor, in writing, and explain the action required to cure any audit deficiencies. Such action could include the repayment of ineligible costs or other remediation.

If so directed by the Department upon the termination or expiration of this Agreement, the Sponsor shall deliver all records, accounts, documentation, and other materials that are relevant to this Agreement to the Department as depository.

**24. Sponsor Acknowledgment of the Pet Friendly Housing Act of 2017**

By executing this Agreement, Sponsor acknowledges that the Pet Friendly Housing Act of 2017 (Health and Saf. Code, div. 31, pt. 2, ch. 2, § 50466) requires each housing development, if it is financed on or after January 1, 2018 pursuant to Division 31 of the Health and Safety Code, to authorize a resident of the housing development to own or otherwise maintain one or more common household pets within the resident's dwelling unit, subject to applicable state laws and local government ordinances related to public health, animal control, and animal anticruelty.

**25. Compliance with Title VI of the Civil Rights Act of 1964**

Sponsor and any of its contractors, subcontractors, successors, transferees, and assignees shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the U.S. Department of the Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this Agreement. Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the U.S. Department of the Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this Agreement.

**26. Nondiscrimination**

Statutes and regulations prohibiting discrimination are applicable to this Agreement and include, without limitation, the following:

- A. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.) and the U.S. Department of the Treasury's implementing regulations at 31 CFR Part 22;
- B. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.);
- C. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794);
- D. The Age Discrimination Act of 1975, as amended (42 U.S.C. § 6101 et seq.);
- E. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. § 12101 et seq.); and
- F. The State of California nondiscrimination statutes, regulations, and standards set forth and identified in the Project Solicitation and at Exhibit C of this Agreement.

The Sponsor shall adopt a written nondiscrimination policy requiring that no person shall, on the grounds of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, age, medical condition, genetic information, citizenship, primary language, immigration status (except where explicitly prohibited by federal law), arbitrary characteristics, and all other classes of individuals protected from discrimination under federal or state housing laws, individuals perceived to be a member of any of the preceding classes, or any individual or person associated with any of the preceding classes, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with California Housing Accelerator funds.

**27. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards**

This Agreement is subject to the administrative requirements, cost principles, and audit requirements for federal awards to non-federal entities, which are set forth at 2 Code of Federal Regulations part 200.

**28. Single Audit Requirements**

Sponsor is responsible for complying, as necessary, with the Single Audit Act and its implementing regulation at 2 Code of Federal Regulations part 200, subpart F regarding audit requirements.

**29. Developer Fee Limits**

Total developer fee for a Project shall not exceed the lesser of **(a)** \$2,200,000; or **(b)** the sum of 15 percent of the Project's unadjusted residential construction-related eligible basis, 5 percent of the Project's unadjusted acquisition eligible basis, and 15 percent of the eligible basis for the Project's nonresidential costs.

**30. Restrictions on Continued Eligibility for Award**

If the Sponsor has a pending application with CDLAC and/or TCAC relative to the Project, and that application is thereafter recommended to receive bonds and/or tax credits, the California Housing Accelerator funds must be returned to the Department. If, after receiving an award of California Housing Accelerator funds, the Sponsor withdraws the awarded Project's pending application from CDLAC and/or TCAC, the Sponsor will no longer be eligible for that California Housing Accelerator funding.

**31. Future Tax Credit Applications and Syndicating Losses**

The Sponsor is prohibited from applying for or receiving a tax credit allocation on the Project for a period of 20 years from the California Housing Accelerator Loan closing date for that Project.

Post-award, if the Sponsor syndicates and sells a portion of its ownership interest to a partner or equivalent party seeking tax losses associated with the Project, and such syndication was not represented and described in the Application, nine-tenths of the gross proceeds of that sale shall be remitted to the Department as recaptured California Housing Accelerator funds. The Department may grant an exception to this requirement where the Sponsor demonstrates that the syndication proceeds would either (a) pay for the lowest reasonable development cost increase that is consistent with the Project's original scope, as identified in the Application; or (b) capitalize a services reserve for a special needs Project. The Department's written approval is required in advance of the Sponsor's assignment, transfer, or conveyance of any ownership interest in the Project.

**EXHIBIT E**

**PROJECT-SPECIFIC PROVISIONS AND SPECIAL TERMS AND CONDITIONS**

**A. PROJECT-SPECIFIC PROVISIONS**

# of Bedrms	Unit Type	Unit's Income Restricted Level	Total Units	Total Restricted Units	Total Market-Rate Units	Special Needs - Supportive Housing Units	Manager Units	Homeless Units
1	Rental	30% AMI	9	9				
1	Rental	30% AMI	2	2				
2	Rental	30% AMI	19	19				
3	Rental	30% AMI	15	15				
4	Rental	30% AMI	4	4				
1	Rental	50% AMI	19	19				
2	Rental	50% AMI	24	24				
3	Rental	50% AMI	25	25				
4	Rental	50% AMI	4	4				
1	Rental	60% AMI	10	10				
2	Rental	60% AMI	10	10				
3	Rental	60% AMI	11	11				
4	Rental	60% AMI	3	3				
	Manager		2				2	
			<b>157</b>	<b>155</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>

1. Existing HCD Commitment(s). This Project is subject to one or more Existing HCD Commitments, as specified below:
  - a. IIG – 19-IIG-14402
  - b. AHSC – 20-AHSC-14697
  - c. AHSC – 20-AHSC-14698
2. Disbursement and Eligible Use(s). Pursuant to an award letter, dated February 16, 2022, the Sponsor is receiving California Housing Accelerator Loan funds in the

California Housing Accelerator Tier 1  
 Project Solicitation Date: September 16, 2021, and amended on October 5, 2021  
 Project Name: Potrero Block B  
 Approved Date: 03-23-2022  
 Prep. Date: 05-04-2022



amount of \$94,836,486.00. Sponsor will apply these funds towards the following Eligible Use(s):

a. New Construction

3. Project Narrative. Potrero Block B project included 157 units in 2 buildings for families consisting of 40-1bdrms, 54 2bdrms, 52-3bdrms and 11-4bdrms with 4 elevators in an infill location on a 39 acre public housing site. The AHD will provide a manager's unit, offices for property management, 65 parking spaces 114 bike parking spaces, 7 elevators, community room, and ground floor 5300 SF childcare center with secure courtyard. Each unit will have air conditioning, refrigerator, range, ceiling fans, and free cable TV. On-site amenities include elevators, laundry rooms, a community room, central courtyard with bbq, play area, and sitting area. Commercial space is designated for the childcare center and will not generate revenue.
4. Scope of Work. The AHD will provide a manager's unit, offices for property management, 65 parking spaces 114 bike parking spaces, 7 elevators, community room, and ground floor 5300 SF childcare center with secure courtyard. 9 units will receive RAD subsidies and 108 will receive project based vouchers.
5. Sponsor Contract Coordinator.

Authorized Representative Name:	Marie Debor
Authorized Representative Title:	Vice President of Development
Entity Name:	BRIDGE Housing Corporation
Address:	600 California Street, Suite 900 San Francisco, CA 94108
Telephone No.:	415-989-1111 x7075
E-Mail Address:	Mdebor@bridgehousing.com

6. Additional Conditions Precedent to Disbursement.

7. Budget Detail.

8. Performance Milestones.

<b>Performance Milestones</b>	<b>Milestone Completion Date</b>
Commencement of Construction Deadline	July 1, 2022
Submit documentary evidence to the Department that construction commenced by the Commencement of Construction Deadline	September 16, 2022
Permanent Loan Conversion Deadline	November 30, 2026

9. Authorized Payee. The authorized payee(s) is/are as specified below:

Name of Payee	Amount
Potrero Housing Associates II, L.P.	\$94,836,486.00

**B. SPECIAL TERMS AND CONDITIONS**

The following Special Terms and Conditions are applicable to this Project and shall control notwithstanding anything to the contrary herein:

1. Potrero Housing Associates II, L.P. (“LP”) is an affiliate of Bride Housing Corporation (“Corp”). LP and Corp were awarded the Accelerator Loan funds, in the amount of \$94,836,486, pursuant to the Award Letter, dated February 16, 2022. The Department acknowledges LP as the Ultimate Borrower of the Accelerator Loan funds. As such, LP will execute the Accelerator Loan documents described in paragraph 13 of Exhibit D of this Agreement. For the purposes of this Agreement, LP and Corp will be collectively referred to herein as “Sponsor.” Accordingly, LP and Corp shall be jointly and severally liable for all the obligations of the Sponsor as set forth herein. Performance satisfactory to the Department by LP of any duties and obligations under this Agreement, and under any other agreements required by the Department, will be deemed as performance by the Sponsor.

2. All proposed changes to the project, including but not limited to project financing, rents and unit mix, scope of work to be performed or Borrower's organizational structure must be submitted to and approved by the Department in writing.



# SAN FRANCISCO PLANNING DEPARTMENT

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## Planning Commission Motion No. 19531

GENERAL PLAN REFERRAL

HEARING DATE: DECEMBER 10, 2015

*Date:* December 3, 2015  
*Case No.:* **2010.0515ETZ / GPR**  
*Project:* Potrero HOPE SF Master Plan Project  
General Plan Findings and Planning Code Section 101.1 Findings  
*Location:* 1095 Connecticut Street (the area generally bounded by Connecticut Street, 26th Street, Wisconsin Street, 23rd Street, Texas Street, and 25th Street)  
*Parcel(s):* 4167/004, 004A, 4220A/001, 4223/001, 4285B/001, and 4287/001A  
*Project Sponsor* Dan Adams  
Bridge Housing  
600 California Street, Suite 900  
San Francisco, CA 94108  
*Staff Contact:* Mat Snyder – (415) 575-6891  
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*Recommendation:* Adopt the Findings

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**ADOPTING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN OF THE CITY AND COUNTY OF SAN FRANCISCO AND WITH SECTION 101.1 OF THE CITY PLANNING CODE FOR THE POTRERO HOPE SF MASTER PLAN PROJECT, INCLUDING VARIOUS ACTIONS NECESSARY FOR THE IMPLEMENTATION OF THE PROJECT, INCLUDING THE PURCHASING OF THE PROPERTY AT 1101 CONNECTICUT STREET.**

### Preamble

San Francisco Charter Section 4.105 and Administrative Code Section 2A.53 of the Administrative Code requires General Plan referrals to the Planning Commission for certain matters so that the Commission may determine if such actions are in conformity with the General Plan and Section 101.1 of the Planning Code. Actions, including but not limited to legislative actions, subdivisions, right-of-way dedications and vacations, and the purchasing of property are required to be in conformity with the General Plan and Planning Code Section 101.1.

On March 6, 2014, Bridge Housing (hereinafter "Project Sponsor") filed Application No. 2010.0515TZ (hereinafter "Application") with the Planning Department (hereinafter "Department") for Planning Code Text and Map amendments to rezone the Assessor's Block and Lots 4167/004, 004A, 4220A/001, 4223/001, 4285B/001, and 4287/001A to establish a Special Use District (hereinafter "SUD"), and change height limits specifically for Potrero HOPE SF Master Plan Project (hereinafter "Project").

On November 10, 2010, the Department issued a Notice of Preparation of an Environmental Impact Report ("NOP") for the Project. On November 5, 2014, the Department published the Draft Environmental Impact Report / Draft Environmental Impact Statement ("DEIR/DEIS") for the Project and provided public notice in a newspaper of general circulation of the availability of the DEIR/DEIS for public review and comment. The DEIR/DEIS was available for public comment from November 7, 2014

through January 7, 2015. The Planning Commission held a public hearing on December 11, 2014 on the DEIR/DEIS at a regularly scheduled meeting to solicit public comment regarding the DEIR/DEIS.

The Department prepared responses to comments on environmental issues received at the public hearing and in writing during the public review period for the DEIR/DEIS, prepared revisions to the text of the DEIR/DEIS in response to comments received or based on additional information that became available during the public review period. This material was presented in a Response to Comments document, published on October 8, 2015, distributed to the Planning Commission and all parties who commented on the DEIR/DEIS, and made available to others upon request at the Department.

A Final Environmental Impact Report / Final Environmental Impact Statement ("FEIR/FEIS" or "Final EIR/EIS") was prepared by the Department, consisting of the Draft EIR/EIS and the Response to Comments document.

Project Environmental Impact Report files have been made available for review by this Commission and the public. These files are available for public review at the Planning Department at 1650 Mission Street, and are part of the record before this Commission.

On December 10, 2015, the Planning Commission reviewed and considered the Final EIR/EIS and found that the contents of the report and the procedures through which the Final EIR/EIS was prepared, publicized, and reviewed complied with the California Environmental Quality Act (California Public Resources Code section 21000 et seq.) ("CEQA"), 14 California Code of Regulations sections 15000 et seq. ("CEQA Guidelines"), and Chapter 31 of the San Francisco Administrative Code ("Chapter 31").

The Commission found the Final EIR/EIS was adequate, accurate and objective, reflected the independent analysis and judgment of the Department and the Commission, and that the summary of comments and responses contained no significant revisions to the Draft EIR/EIS, and approved the Final EIR/EIS for the Project in compliance with CEQA, the CEQA Guidelines and Chapter 31.

The Planning Department, Jonas P. Ionin, is the custodian of records, located in the File for Case No. 2008.0091E, at 1650 Mission Street, Fourth Floor, San Francisco, California.

Department staff prepared a Mitigation Monitoring and Reporting Program ("MMRP") for the Project and these materials were made available to the public and this Commission for this Commission's review, consideration and action.

#### Project Description

By this action, the Planning Commission adopts General Plan Consistency findings, including a finding that the Project, as identified in the Final EIR, is consistent with Planning Code Section 101.1. The Project is generally described below here.

The Potrero HOPE SF Master Plan Project is part of the City's Hope SF Program, which looks to transform several of the City's Housing Authority sites to revitalized mixed-use mixed-income well integrated neighborhoods.

The Potrero HOPE SF Master Plan Project includes demolishing all existing 620 units, and vacating portions of the right of way that currently cross the site diagonally and building new streets that would better continue the existing street grid. The Project would transform the four existing super

blocks into about 19 new fine-grained blocks, add one major new park along with several smaller parks, plazas and pedestrian ways throughout. The site would feature a new "Main Street" along a newly established segment of 24<sup>th</sup> Street; this new segment of 24<sup>th</sup> Street would be aligned with commercial and community uses, and parks and open space.

At completion the Potrero HOPE SF would include up to 1,700 units, including Housing Authority replacement units, and a mix of additional affordable units (approximately 335 units at varying levels of affordability) and market rate units (approximately 661 units). New buildings would provide a consistent street wall with "eyes-on-the-street" active ground floor treatment. A variety of building types including individual townhomes, small apartment buildings and larger corridor apartment buildings would be constructed throughout. Approximately 1,150 parking spaces would be provided for the units largely below grade. Approximately 15,000 gsf of retail, and 30,000 gsf of community-serving uses is also proposed

In 2008, Bridge Housing was selected by the Mayor's Office of Housing and Community Development (hereinafter "MOHCD") (then, the Mayor's Office of Housing) and the San Francisco Housing Authority to work with the local Potrero Terrance and Annex and surrounding Potrero Hill community to create a Master Plan for the site that would not only include reconstructed Housing Authority units, but additional affordable units along with market rate units, neighborhood serving retail, community service, new parks and open space, and new streets and infrastructure. Bridge Housing is also the Master Developer for the site.

In addition to applying for zoning amendments, the Project Sponsor intends to enter into a Development Agreement (hereinafter "DA") with the City and the Housing Authority to memorialize rights, responsibilities, and commitments to rebuilding the Potrero HOPE SF site. The Project Sponsor has begun working with MOHCD, the Office of Workforce and Economic Development (hereinafter "OEWD"), and the San Francisco Housing Authority, in negotiating terms of the DA. Associated with work on the DA, the Project Sponsor has been working with several City Agencies in devising a Master Infrastructure Plan. It is anticipated that the DA will not be ready for finalization until spring 2016. Because the rezoning and the DA are expected to work together, these entitlements will not be ready for Planning Commission approval until 2016.

A part of the Project includes an adjacent property at 1101 Connecticut Avenue owned by the San Francisco Unified School District along with a small Housing Authority parcel (commonly referred to as "Block X") that will be the first construction phase. It is the intention of City to purchase the site. Because Block X has no current residential or commercial uses that would require relocation, beginning construction on Block X is critical for the overall phasing. This new construction project will to enable residents of the subsequent phases to move into the new units before beginning demolition of the existing units. Therefore, MOHCD and the Project Sponsor would like to move forward with the purchase of the property in advance of approval of the DA and rezoning.

Other than those actions described above, several actions will be required for the project over its multi-year buildout. These actions include but are not limited to approval of subdivisions, right-of-way dedications and vacations.

The Planning Commission wishes to facilitate the physical, environmental, social and economic revitalization of Project site, using the legal tools available through the Planning and Administrative Codes, while creating jobs, housing and open space in a safe, pleasant, attractive and livable mixed use neighborhood that is linked rationally to adjacent neighborhoods. The Commission wishes to enable implementing actions, such as the purchase of Block X, prior to approving the rezoning and DA, and therefore is adopting these findings now.

The Potrero HOPE SF Master Plan Project provides for a type of development, intensity of development and location of development that is consistent with the overall goals and objectives and policies of the General Plan as well as the Eight Priority Policies of Section 101.1, as expressed in the findings contained in Attachment A to this resolution.

**NOW, THEREFORE, BE IT RESOLVED,** That the Planning Commission hereby adopts the CEQA Findings set forth in Motion No. 19530 and finds that the Project and approval actions thereto are consistent with the General Plan, and with Section 101.1 of the Planning Code as described in Attachment A to this Resolution.

I hereby certify that the foregoing Resolution was ADOPTED by the San Francisco Planning Commission on December 10, 2015.

Jonas Ionin  
Commission Secretary

AYES: Fong, Wu, Antonini, Johnson, Moore, Richards

NOES:

ABSENT: Hillis



## **Attachment A**

### **To Planning Commission Motion No. 19531**

**Case No. 2010.0515ETZ / GPR**

### **The Potrero Hope SF Master Plan Project General Plan Findings**

**and**

### **Planning Code Section 101.1 Findings**

The following constitute findings that the Potrero Hope SF Master Plan Project (Project) and approval actions thereto are, on balance, consistent with the General Plan and Planning Code Section 101.1. The Potrero Hope SF Master Plan Project is described within the Final EIR, Certified by the Planning Commission on December 10, 2015, with Planning Commission Motion No. 19530, and within the the CEQA findings under Planning Commission Motion No. 19531.

Approval actions that will be required to implement the Project include, but are not limited to: (1) Adoption of Planning Code Text and Map Amendments that would establish a Hope SF Potrero Special Use District and associated Design Standards and Guidelines Document, and would increase heights in some locations; (2) Approval of a Development Agreement between the City of County of San Francisco, the Master Developer, and the San Francisco Housing Authority; (3) various mapping, street vacation and street dedication actions; and (4) the purchase of the site at Connecticut from the San Francisco Unified School District to the City and County of San Francisco for the development of affordable housing.

#### **SHOWPLACE SQUARE / POTRERO AREA PLAN**

*The Showplace Square / Potrero Ara Plan was approved in 2009 along with the East Soma, Mission District, and Central Waterfront Area Plans, which together, are referred to as the Eastern Neighborhoods. The Showplace Square / Potrero Area Plan was adopted, in part, to guide development in previously zoned M-1(Light Industrial) and M-2(Heavy Industrial) Districts to assure both preservation of PDR uses, and to encourage high quality mixed-use development where land was being opened up to development. The Showplace Square / Potrero Area Plan also provides objectives and policies to encourage the development of complete neighborhoods – that housing come with complementary uses and needed infrastructure. The Plan also emphasizes maximizing the development of affordable housing to the extent feasible.*

**Showplace Square / Potrero Area Plan – Housing**

- OBJECTIVE 2.1        ENSURE THAT A SIGNIFICANT PERCENTAGE OF NEW HOUSING CREATED IN THE SHOWPLACE / POTRERO IS AFFORDABLE TO PEOPLE WITH A WIDE RANGE OF INCOMES
- POLICY 2.1.2        Provide land and funding for the construction of new housing affordable to very low and low income households.
- OBJECTIVE 2.2        RETAIN AND IMPROVE EXISTING HOUSING AFFORDABLE TO PEOPLE OF ALL INCOMES
- POLICY 2.2.5:        Facilitate the redevelopment of the Potrero View Public Housing through the Hope SF program.
- OBJECTIVE 2.3        REQUIRE THAT A SIGNIFICANT NUMBER OF UNITS IN NEW DEVELOPMENTS HAVE TWO OR MORE BEDROOMS EXCEPT SENIOR HOUSING AND SRO DEVELOPMENTS UNLESS ALL BELOW MARKET RATE UNITS ARE TWO OR MORE BEDROOM UNITS
- POLICY 2.3.1        Target the provision of affordable units for families.
- POLICY 2.3.2        Prioritize the development of affordable family housing, both rental and ownership, particularly along transit corridors and adjacent to community amenities.
- POLICY 2.3.4        Encourage the creation of family supportive services, such as childcare facilities, parks and recreation, or other facilities, in affordable housing or mixed use developments.
- OBJECTIVE 2.5        PROMOTE HEALTH THROUGH RESIDENTIAL DEVELOPMENT DESIGN AND LOCATION
- POLICY 2.5.2        Develop affordable family housing in areas where families can safely walk to schools, parks, retail, and other services.
- POLICY 2.5.3        Require new development to meet minimum levels of “green” construction.

**OBJECTIVE 2.6 CONTINUE AND EXPAND THE CITY'S EFFORTS TO INCREASE PERMANENTLY AFFORDABLE HOUSING PRODUCTION AND AVAILABILITY**

*The Potrero Hope SF Master Plan Development meets these objectives and policies in that they provide a truly mixed income community with replacement units for very low income residents including families, additional new affordable units for low income families and seniors, as well as market rate housing.. Policy 2.2.5 specifically names the redevelopment through Potrero HOPE SF as meeting Objective 2.1 signaling the important policy priority of this master development. The housing planned is primarily family housing with a smaller senior housing component envisioned. . As a Hope SF Project, community services will be provided at each affordable housing development, as well as additional community wide facilities including child care. Residential-serving uses, such as neighborhood retail is also planned. Parks and green streets that better connect the residents with nearby open space resources are also integral to the Project. Finally, the neighborhood will be designed to LEED Neighborhood Development standards.*

**Showplace Square / Potrero Area Plan – Built Form**

**OBJECTIVE 3.1**

**PROMOTE AN URBAN FORM THAT REFLECTS SHOWPLACE SQUARE AND POTRERO HILL'S DISTINCTIVE PLACE IN THE CITY'S LARGER FORM AND STRENGTHENS ITS PHYSICAL FABRIC AND CHARACTER**

**POLICY 3.1.1** Adopt heights that are appropriate for Showplace Square's location in the city, the prevailing street width and block pattern, and the anticipated land uses, while respecting the residential character of Potrero Hill.

**POLICY 3.1.3** Relate the prevailing heights of buildings to street and alley width throughout the plan area.

**POLICY 3.1.5** Respect public view corridors. Of particular interest are the east-west views to the bay or hills, and several north-south views towards downtown and Potrero Hill.

**POLICY 3.1.6** New buildings should epitomize the best in contemporary architecture, but should do so with full awareness of, and respect for, the height, mass, articulation and materials of the best of the older buildings that surrounds them.

- POLICY 3.1.8           New development should respect existing patterns of rear yard open space. Where an existing pattern of rear yard open space does not exist, new development on mixed-use-zoned parcels should have greater flexibility as to where open space can be located.
- OBJECTIVE 3.2       PROMOTE AN URBAN FORM AND ARCHITECTURAL CHARACTER THAT SUPPORTS WALKING AND SUSTAINS A DIVERSE, ACTIVE AND SAFE PUBLIC REALM
- POLICY 3.2.3       Minimize the visual impact of parking.
- POLICY 3.2.4       Strengthen the relationship between a building and its fronting sidewalk.
- POLICY 3.2.6       Sidewalks abutting new developments should be constructed in accordance with locally appropriate guidelines based on established best practices in streetscape design.
- OBJECTIVE 3.3       PROMOTE THE ENVIRONMENTAL SUSTAINABILITY, ECOLOGICAL FUNCTIONING AND THE OVERALL QUALITY OF THE NATURAL ENVIRONMENT IN THE PLAN AREA
- POLICY 3.3.1       Require new development to adhere to a new performance-based evaluation tool to improve the amount and quality of green landscaping.
- POLICY 3.3.4       Compliance with strict environmental efficiency standards for new buildings is strongly encouraged.

*The Project, on balance, meets the above objectives and policies regarding urban form. The Project includes the re-alignment of the irregular street grid to one that is consistent with and improves connectivity to the rest of the of the Potrero neighborhood. Buildings will be constructed so that they form consistent building “street walls” along rights-of-way in proportion to street widths in accordance principles for good urban design. While at times taller than typical Potrero Hill houses and apartments, buildings will be broken down both vertically and horizontally, and will be aligned with active uses to assure that they are designed to the human scale. New streets will meet the City’s Better Streets standards. New parks and open spaces will be established with a variety of active and passive uses. Some of the rights-of-way will also serve as “Green Connections” that will have open space features, and connect the on-site open spaces together as a cohesive network.*

*Due to the new development, portions of existing views across the site will be changed to feature foreground views of the new buildings in place of far-away views of the Bay and hills. For one view from*

*the top of Potrero Recreation Center looking south, a Mitigation Measure limiting some building heights across 23<sup>rd</sup> Street will assure that most of the view will be retained. Even with the change of some views, on balance, the quality of the site will be significantly improved thereby, on balance, meeting the Built Form objectives and policies of the Showplace Square / Potrero Area Plan.*

OBJECTIVE 4.1 IMPROVE PUBLIC TRANSIT TO BETTER SERVE EXISTING AND NEW DEVELOPMENT IN SHOWPLACE SQUARE / POTRERO HILL

POLICY 4.1.1 Commit resources to an analysis of the street grid, the transportation impacts of new zoning, and mobility needs in Showplace Square Potrero /Eastern Neighborhoods to develop a plan that prioritizes transit while addressing needs of all modes (auto circulation, freeway traffic, bicyclists, pedestrians).

OBJECTIVE 4.3 ESTABLISH PARKING POLICIES THAT IMPROVE THE QUALITY OF NEIGHBORHOODS AND REDUCE CONGESTION AND PRIVATE VEHICLE TRIPS BY ENCOURAGING TRAVEL BY NON-AUTO MODES

POLICY 4.3.1 For new residential development, provide flexibility by eliminating minimum off-street parking requirements and establishing reasonable parking caps.

OBJECTIVE 4.5 CONSIDER THE STREET NETWORK IN SHOWPLACE SQUARE/POTRERO HILL AS A CITY RESOURCE ESSENTIAL TO MULTI-MODAL MOVEMENT AND PUBLIC OPEN SPACE

OBJECTIVE 4.6 SUPPORT WALKING AS A KEY TRANSPORTATION MODE BY IMPROVING PEDESTRIAN CIRCULATION WITHIN SHOWPLACE SQUARE/POTRERO HILL AND TO OTHER PARTS OF THE CITY

POLICY 4.6.1 Use established street design standards and guidelines to make the pedestrian environment safer and more comfortable for walk trips.

OBJECTIVE 4.8 ENCOURAGE ALTERNATIVES TO CAR OWNERSHIP AND THE REDUCTION OF PRIVATE VEHICLE TRIPS

POLICY 4.8.3 Develop a Transportation Demand Management (TDM) program for the Eastern Neighborhoods that provides information and incentives for employees, visitors and residents to use alternative transportation modes and travel times.

The project meets the above Showplace Square / Potrero Area Plan objectives and policies regarding Transportation.

*The street network will be re-established to fit in with the Potrero Street grid, where it does not currently; this will greatly improve connectivity for all modes of transportation. Streets will be designed to emphasize safety, comfort and connectivity for pedestrians. Bus lines will be rerouted per the new street layout and per the Muni Forward program improving the bus' access and performance. The Project Sponsor will develop a Transportation Demand Management program that will further encourage modes of transportation other than by single-occupancy vehicle.*

**Showplace Square / Potrero Area Plan – Streets and Open Space**

- OBJECTIVE 5.1 PROVIDE PUBLIC PARKS AND OPEN SPACES THAT MEET THE NEEDS OF RESIDENTS, WORKERS AND VISITORS
- OBJECTIVE 5.2 ENSURE THAT NEW DEVELOPMENT INCLUDES HIGH QUALITY PRIVATE OPEN SPACE
- POLICY 5.2.1 Require new residential and mixed-use residential development to provide on-site private open space designed to meet the needs of residents.
- POLICY 5.2.5 New development should respect existing patterns of rear yard open space. Where an existing pattern of rear yard open space does not exist, new development on mixed-use-zoned parcels should have flexibility as to where open space can be located.
- OBJECTIVE 5.3 CREATE A NETWORK OF GREEN STREETS THAT CONNECTS OPEN SPACES AND IMPROVES THE WALKABILITY, AESTHETICS, AND ECOLOGICAL SUSTAINABILITY OF THE NEIGHBORHOOD
- POLICY 5.3.2 Maximize sidewalk landscaping, street trees and pedestrian scale street furnishing to the greatest extent feasible.
- OBJECTIVE 5.4 THE OPEN SPACE SYSTEM SHOULD BOTH BEAUTIFY THE NEIGHBORHOOD AND STRENGTHEN THE ENVIRONMENT

*The Hope SF Potrero Master Plan Project includes about 3.5 acres of new parks and open space. Further, it includes new streets that will have open space features and create a “Green Connections” network within the site. Individual development sites within the overall Hope SF site will have their*

*own usable open space requirement, some of which will also be open to the public. Those blocks that will be developed next to existing rear yards will adhere to rear yard standards typical for San Francisco.*

**Showplace Square / Potrero Area Plan – Community Services and Facilities**

POLICY 7.1.1 Support the siting of new facilities to meet the needs of a growing community and to provide opportunities for residents of all age levels.

POLICY 7.1.3 Ensure childcare services are located where they will best serve neighborhood workers and residents.

OBJECTIVE 7.2 ENSURE CONTINUED SUPPORT FOR HUMAN SERVICE PROVIDERS THROUGHOUT THE EASTERN NEIGHBORHOODS

POLICY 7.2.1 Promote the continued operation of existing human and health services that serve low-income and immigrant communities in the Eastern Neighborhoods, and prevent their displacement.

*Integral to the Hope SF initiative, is a series of community building programs for its population. The Project will include a 25,000 – 35,000 sf community center that will include a child care center, among other services for families and the broader community. Active and continued community engagement is paramount to the multi-year work at the current site to promote connections with services to the low income residents living at Potrero Terrace and Annex.*

**HOUSING ELEMENT**

*The principle objectives of the Housing Element are to provide new housing; retain the existing supply; enhance physical conditions and safety without jeopardizing use or affordability; support affordable housing production by increasing site availability and capacity; increase the effectiveness and efficiency of the affordable housing production system; protect the affordability of existing housing; expand financial resources for permanently affordable housing; ensure equal access; avoid or mitigate hardships imposed by displacement; reduce homelessness and the risk of homelessness in coordination with relevant agencies and providers; pursue place making and neighborhood building principles in increasing the supply of housing; and strengthen citywide affordable housing programs through coordinated regional and state efforts.*

*The Project is consistent with and implements the following objectives and policies of the Housing Element:*

- OBJECTIVE 1            Identify and make available for development adequate sites to meet the City’s housing needs, especially permanently affordable housing.
  
- POLICY 1.3            Work proactively to identify and secure opportunity sites for permanently affordable housing.
  
- Objective 4            Foster a housing stock that meets the needs of all residents across lifecycles.
  
- POLICY 4.1            Develop new housing, and encourage the remodeling of existing housing, for families with children.
  
- POLICY 4.2            Provide a range of housing options for residents with special needs for housing support and services.
  
- POLICY 4.5            Ensure that new permanently affordable housing is located in all of the city’s neighborhoods, and encourage integrated neighborhoods, with a diversity of unit types provided at a range of income levels.
  
- Objective 5            Ensure that all residents have equal access to available units.
  
- POLICY 5.5            Minimize the hardships of displacement by providing essential relocation services.
  
- POLICY 5.6            Offer displaced households the right of first refusal to occupy replacement housing units that are comparable in size, location, cost, and rent control protection.



- Objective 7                    Secure funding and resources for permanently affordable housing, including innovative programs that are not solely reliant on traditional mechanisms or capital.
- POLICY 7.5                    Encourage the production of affordable housing through process and zoning accommodations, and prioritize affordable housing in the review and approval processes.
- Objective 8                    Build public and private sector capacity to support, facilitate, provide and maintain affordable housing.
- POLICY 8.1                    Support the production and management of permanently affordable housing.
- POLICY 8.3                    Generate greater public awareness about the quality and character of affordable housing projects and generate communitywide support for new affordable housing.
- Objective 9                    Preserve units subsidized by the federal, state or local sources.
- POLICY 9.3                    Maintain and improve the condition of the existing supply of public housing, through programs such as HOPE SF.
- POLICY 11.1                    Promote the construction and rehabilitation of well-designed housing that emphasizes beauty, flexibility, and innovative design, and respects existing neighborhood character.
- POLICY 11.2                    Ensure implementation of accepted design standards in project approvals.
- POLICY 11.3                    Ensure growth is accommodated without substantially and adversely impacting existing residential neighborhood character.
- POLICY 11.6                    Foster a sense of community through architectural design, using features that promote community interaction.
- Objective 12                    Balance housing growth with adequate infrastructure that serves the City's growing population.
- POLICY 12.1                    Encourage new housing that relies on transit use and environmentally sustainable patterns of movement.

POLICY 12.2 Consider the proximity of quality of life elements, such as open space, child care, and neighborhood services, when developing new housing units.

POLICY 12.3 Ensure new housing is sustainably supported by the City's public infrastructure systems.

*The Hope SF initiative, including the Potrero Hope SF Master Development Project, is a central affordable housing and community development program for the City and County of San Francisco. Through the Hope SF initiative, existing affordable housing sites for very low income residents will be rebuilt with better connected mixed-income, complete neighborhoods that increase the permanent affordable housing stock of the City as well as provides a range of housing options for residents with special needs and for a range of income levels. The Potrero HOPE SF Master Development Project will seek to minimize displacement of existing residents and will provide essential relocation services that include maintenance of subsidized housing opportunities and the right to return as provided in the Right to Return Ordinance. The proposed funding of this large scale project is creative and leverages extensive public and private sources of capital. The project will receive zoning and priority approval processes to encourage the production of affordable housing. The high visibility of this project will increase capacity of builders and owners of affordable and mixed income communities as well as raise greater public awareness of the high quality design and character of affordable housing. Policy 9.3 specifically names HOPE SF as leading initiative to maintain and improve the condition of existing supply of public housing in the Plan Area. As a site that is well under the Planning Code's density limit, the Hope SF also looks to take advantage of the additional allowed density to construct market-rate units, which, in turn, will both create a mixed-income neighborhood and will cross-subsidizing the cost of reconstructing the existing dilapidated affordable housing. Also central to the Hope SF initiative is the construction of new infrastructure including new streets and parks that meet -- and in some cases exceed -- current City standards for ecological performance, safety, and comfort.*

## COMMERCE AND INDUSTRY

*The principle objectives for Commerce & Industry are to manage economic growth and change, maintain a sound and diverse economic base and fiscal structure, provide expanded employment opportunities for city residents particularly the unemployed and underemployed in a wide range of fields and levels, improve viability of existing businesses as well as attract new businesses – particularly in new industries, and assure entrepreneurial opportunities for local businesses.*

*The following objectives and policies are relevant to the Project:*

OBJECTIVE 6            MAINTAIN AND STRENGTHEN VIABLE NEIGHBORHOOD  
COMMERCIAL AREAS EASILY ACCESSIBLE TO CITY RESIDENTS.

POLICY 6.1            Ensure and encourage the retention and provision of neighborhood-  
serving goods and services in the city's neighborhood commercial  
districts, while recognizing and encouraging diversity among the  
districts.

POLICY 6.2            Promote economically vital neighborhood commercial districts which  
foster small business enterprises and entrepreneurship and which are  
responsive to economic and technological innovation in the marketplace  
and society

POLICY 6.4            Encourage the location of neighborhood shopping areas throughout the  
city so that essential retail goods and personal services are accessible to  
all residents.

POLICY 6.7            Promote high quality urban design on commercial streets.

*The Project meets and furthers the Objectives and Policies of the Commerce and Industry Element by reinforcing the typical San Francisco pattern of including resident serving uses along with residential development. The Project will generally permit small scale retail and community related uses throughout and requiring ground floor non-residential uses on a portion of 24<sup>th</sup> Street, which will serve as the neighborhood's "Main Street". Design and Land Use regulations for the development will require that neighborhood commercial retail be established in a pedestrian-oriented active environment typical of San Francisco neighborhoods and specifically called for in the Commerce and Industry Element. The possible provision of retail space will provide entrepreneurial opportunities for local residents and workers. Of course, new development will provide construction business opportunities, especially with outreach to small businesses through the City's SBE program, along with opportunities for property management and maintenance.*

**RECREATION AND OPEN SPACE ELEMENT**

*The principle objectives of the Recreation and Open Space Element are to preserve large areas of open space sufficient to meet the long-range needs of the Bay Region, develop and maintain a diversified and balanced citywide system of high quality public open space, provide a continuous public open space along the shoreline, and provide opportunities for recreation and the enjoyment of open space in every neighborhood.*

- OBJECTIVE 1            ENSURE A WELL-MAINTAINED, HIGHLY UTILIZED, AND INTEGRATED OPEN SPACE SYSTEM
  
- POLICY 1.1            Encourage the dynamic and flexible use of existing open spaces and promote a variety of recreation and open space uses, where appropriate.
  
- POLICY 1.11           Encourage private recreational facilities on private land that provide a community benefit, particularly to low and moderate-income residents.
  
- OBJECTIVE 2           INCREASE RECREATION AND OPEN SPACE TO MEET THE LONG-TERM NEEDS OF THE CITY AND BAY REGION
  
- POLICY 2.7            Expand partnerships among open space agencies, transit agencies, private sector and nonprofit institutions to acquire, develop and/or manage existing open spaces.
  
- POLICY 2.8            Consider repurposing underutilized City-owned properties as open space and recreational facilities.
  
- OBJECTIVE 3           IMPROVE ACCESS AND CONNECTIVITY TO OPEN SPACE
  
- POLICY 3.1            Creatively develop existing publicly-owned right-of-ways and streets into open space.
  
- POLICY 3.2            Establish and Implement a network of Green Connections that increases access to parks, open spaces, and the waterfront.
  
- POLICY 3.6            Maintain, restore, expand and fund the urban forest.

*The Project meets and furthers the Objectives and Policies of the Recreation and Open Space by creating a new street and open space network within an area that is currently characterized by wide disconnected streets, steep unoccupied terrain, and lack of recreational opportunities. Altogether, 3.5 acres of new parks and open space are proposed for the site. Further, the new street network will improve connectivity from existing residential neighborhoods, parks and open spaces.*

## **TRANSPORTATION ELEMENT**

*The Transportation Element is largely concerned with the movement of people and goods. It addresses the need for multi-modal streets and facilities, implementation of the City's transit-first policy, the need to limit parking and auto capacity on the roads, and ways to incentivize travel by transit, bike and by foot. It also addresses the relationship between transportation and land use and how the two should be coordinated to reduce the need for auto trips.*

*The following objectives and policies are relevant to the Project:*

- OBJECTIVE 1            MEET THE NEEDS OF ALL RESIDENTS AND VISITORS FOR SAFE, CONVENIENT AND INEXPENSIVE TRAVEL WITHIN SAN FRANCISCO AND BETWEEN THE CITY AND OTHER PARTS OF THE REGION WHILE MAINTAINING THE HIGH QUALITY LIVING ENVIRONMENT OF THE BAY AREA.
- POLICY 1.2            Ensure the safety and comfort of pedestrians throughout the city.
- POLICY 1.6            Ensure choices among modes of travel and accommodate each mode when and where it is most appropriate.
- POLICY 2.5            Provide incentives for the use of transit, carpools, vanpools, walking and bicycling and reduce the need for new or expanded automobile and automobile parking facilities.
- OBJECTIVE 18           ESTABLISH A STREET HIERARCHY SYSTEM IN WHICH THE FUNCTION AND DESIGN OF EACH STREET ARE CONSISTENT WITH THE CHARACTER AND USE OF ADJACENT LAND.
- POLICY 18.2           Design streets for a level of traffic that serves, but will not cause a detrimental impact on adjacent land uses, or eliminate the efficient and safe movement of transit vehicles and bicycles.
- POLICY 18.4           Discourage high-speed through traffic on local streets in residential areas through traffic "calming" measures that are designed not to disrupt transit service or bicycle movement, including:
- Sidewalk bulbs and widenings at intersections and street entrances;
  - Lane off-sets and traffic bumps;

- Narrowed traffic lanes with trees, landscaping and seating areas;  
and
- colored and/or textured sidewalks and crosswalks.

POLICY 20.5 Place and maintain all sidewalk elements, including passenger shelters, benches, trees, newsracks, kiosks, toilets, and utilities at appropriate transit stops according to established guidelines.

OBJECTIVE 23 IMPROVE THE CITY'S PEDESTRIAN CIRCULATION SYSTEM TO PROVIDE FOR EFFICIENT, PLEASANT, AND SAFE MOVEMENT.

POLICY 23.1 Provide sufficient pedestrian movement space with a minimum of pedestrian congestion in accordance with a pedestrian street classification system.

POLICY 23.2 Widen sidewalks where intensive commercial, recreational, or institutional activity is present, sidewalks are congested and where residential densities are high.

POLICY 23.3 Maintain a strong presumption against reducing sidewalk widths, eliminating crosswalks and forcing indirect crossings to accommodate automobile traffic.

POLICY 23.6 Ensure convenient and safe pedestrian crossings by minimizing the distance pedestrians must walk to cross a street.

OBJECTIVE 24 IMPROVE THE AMBIENCE OF THE PEDESTRIAN ENVIRONMENT.

POLICY 24.2 Maintain and expand the planting of street trees and the infrastructure to support them.

POLICY 24.3 Install pedestrian-serving street furniture where appropriate.

POLICY 24.5 Where consistent with transportation needs, transform streets and alleys into neighborhood-serving open spaces or "living streets", especially in neighborhoods deficient in open space.

OBJECTIVE 26 CONSIDER THE SIDEWALK AREA AS AN IMPORTANT ELEMENT IN THE CITYWIDE OPEN SPACE SYSTEM.

- OBJECTIVE 27           ENSURE THAT BICYCLES CAN BE USED SAFELY AND CONVENIENTLY AS A PRIMARY MEANS OF TRANSPORTATION, AS WELL AS FOR RECREATIONAL PURPOSES.
- OBJECTIVE 28           PROVIDE SECURE AND CONVENIENT PARKING FACILITIES FOR BICYCLES.
- POLICY 28.1            Provide secure bicycle parking in new governmental, commercial, and residential developments.
- OBJECTIVE 34           RELATE THE AMOUNT OF PARKING IN RESIDENTIAL AREAS AND NEIGHBORHOOD COMMERCIAL DISTRICTS TO THE CAPACITY OF THE CITY'S STREET SYSTEM AND LAND USE PATTERNS.
- POLICY 34.3            Permit minimal or reduced off-street parking supply for new buildings in residential and commercial areas adjacent to transit centers and along transit preferential streets.
- OBJECTIVE 35           MEET SHORT-TERM PARKING NEEDS IN NEIGHBORHOOD SHOPPING DISTRICTS CONSISTENT WITH PRESERVATION OF A DESIRABLE ENVIRONMENT FOR PEDESTRIANS AND RESIDENTS.

*The Project meets and furthers the Objectives and Policies of the Transportation Element by requiring the creation of a new fine-grained street grid in place of the diagonally configured and disconnected street and block pattern that exists today. The Project accommodates the creation of a new mixed-use predominately development in a pattern that encourages walking and using transit. The Project also calls for streetscape improvements that will calm auto traffic while assuring pedestrian comfort and enjoyment.*

**URBAN DESIGN ELEMENT**

*The Urban Design Element addresses the physical character and order of the City. It establishes objectives and policies dealing with the city pattern, conservation (both of natural areas and historic structures), major new developments, and neighborhood environment. It discusses meeting “human needs”, largely by assuring quality living environments, and by protecting and enhancing those characteristics of development that make San Francisco special.*

The following objectives and policies are relevant to the Project:

OBJECTIVE 1            EMPHASIS OF THE CHARACTERISTIC PATTERN WHICH GIVES TO THE CITY AND ITS NEIGHBORHOODS AN IMAGE, A SENSE OF PURPOSE, AND A MEANS OF ORIENTATION.

POLICY 1.1            Recognize and protect major views in the city, with particular attention to those of open space and water.

POLICY 1.2            Recognize, protect and reinforce the existing street pattern, especially as it is related to topography.

POLICY 1.3            Recognize that buildings, when seen together, produce a total effect that characterizes the city and its districts.

POLICY 1.5            Emphasize the special nature of each district through distinctive landscaping and other features.

POLICY 1.6            Make centers of activity more prominent through design of street features and by other means.

POLICY 1.7            Recognize the natural boundaries of districts, and promote connections between districts.

POLICY 2.9            Review proposals for the giving up of street areas in terms of all the public values that streets afford.

POLICY 2.10           Permit release of street areas, where such release is warranted, only in the least extensive and least permanent manner appropriate to each case.

OBJECTIVE 3           MODERATION OF MAJOR NEW DEVELOPMENT TO COMPLEMENT THE CITY PATTERN, THE RESOURCES TO BE CONSERVED, AND THE NEIGHBORHOOD ENVIRONMENT.



- POLICY 3.3 Promote efforts to achieve high quality of design for buildings to be constructed at prominent locations.
- POLICY 3.4 Promote building forms that will respect and improve the integrity of open spaces and other public areas.
- POLICY 3.5 Relate the height of buildings to important attributes of the city pattern and to the height and character of existing development.
- POLICY 3.7 Recognize the special urban design problems posed in development of large properties.
- POLICY 3.8 Discourage accumulation and development of large properties, unless such development is carefully designed with respect to its impact upon the surrounding area and upon the city.
- OBJECTIVE 4 IMPROVEMENT OF THE NEIGHBORHOOD ENVIRONMENT TO INCREASE PERSONAL SAFETY, COMFORT, PRIDE AND OPPORTUNITY .
- POLICY 4.3 Provide adequate lighting in public areas.
- POLICY 4.4 Design walkways and parking facilities to minimize danger to pedestrians.
- POLICY 4.5 Provide adequate maintenance for public areas.
- POLICY 4.6 Emphasize the importance of local centers providing commercial and government services.
- POLICY 4.8 Provide convenient access to a variety of recreation opportunities.
- POLICY 4.10 Encourage or require the provision of recreation space in private development.
- POLICY 4.12 Install, promote and maintain landscaping in public and private areas.
- POLICY 4.13 Improve pedestrian areas by providing human scale and interest.

*On balance, the Project is consistent with and furthers the Urban Design Element. The project enables the establishment of a new vibrant mixed-use-predominately-residential neighborhood on currently underutilized land. The Project will extend the Potrero street grid and block pattern where it currently*

*does not exist today, thereby reinforcing Potrero's street pattern. The Project's compact urban development of modulated buildings will step along the site's steep topography; open spaces and green streets will punctuate the new block pattern. Taken together, these characteristics will enable the revitalized Hope SF Potrero neighborhood to be both individually distinctive and better integrated into the larger Potrero neighborhood. Streets will be designed to Better Streets standards and will be safe, comfortable, and inviting. While the proposal includes allowing heights of buildings to be as tall as 65-feet at some locations (taller than what's allowed within other residentially portions of Potrero Hill), design standards will require that they be broken down both vertically and horizontally and be designed to the human scale. The portion of the site that allows the tallest heights will be reserved for the center of the neighborhood's planned commercial and community-serving center, thereby demarking the Project's civic heart. While the view across the site -- some from the Potrero Recreation Center -- will change in nature with additional buildings in the foreground, other views will be improved and protected by aligning new streets with existing streets allowing continual views down them and assuring they are not blocked in the future. On balance, the urban design character of the site will be significantly improved; therefore, the Project is consistent with the Urban Design Element.*

**ENVIRONMENTAL PROTECTION ELEMENT**

*The Environmental Protection Element is concerned with protecting the natural environment within San Francisco's urban context. The element provides objectives and policies for the following topics: the Bay, ocean and shoreline, air, fresh water, land, flora and fauna, transportation noise, and energy.*

*The following objectives and policies are relevant to the Project:*

OBJECTIVE 1           ACHIEVE A PROPER BALANCE AMONG THE CONSERVATION, UTILIZATION, AND DEVELOPMENT OF SAN FRANCISCO'S NATURAL RESOURCES.

Policy 1.4             Assure that all new development meets strict environmental quality standards and recognizes human needs.

OBJECTIVE 15         INCREASE THE ENERGY EFFICIENCY OF TRANSPORTATION AND ENCOURAGE LAND USE PATTERNS AND METHODS OF TRANSPORTATION WHICH USE LESS ENERGY.

POLICY 15.3          Encourage an urban design pattern that will minimize travel requirements among working, shopping, recreation, school and childcare areas.

*The Project is consistent with and implements the Environmental Protection Element in that it calls for mixed-use, moderate density, transit-friendly, sustainable development. The Hope SF Potrero EIR identifies potential significant and unavoidable impacts regarding noise and air pollutant emissions; these impacts are largely traffic and construction related and are substantially due to the Project's scale. The Project and all related City approvals are nonetheless consistent with the Environmental Protection Element as the Project satisfies and implements the preponderance of Element's objectives and policies: the Project furthers the Element's emphasis on the need for compact, and sustainable development.*

**COMMUNITY FACILITIES ELEMENT**

*The Community Facilities element addresses police facilities, neighborhood center facilities, fire facilities, library facilities, public health facilities, and touches upon educational facilities, institutional facilities (colleges, etc.) wastewater facilities, and solid waste facilities.*

The following objectives and policies are relevant to the Project:

OBJECTIVE 3            ASSURE THAT NEIGHBORHOOD RESIDENTS HAVE ACCESS TO  
NEEDED SERVICES AND A FOCUS FOR NEIGHBORHOOD  
ACTIVITIES

POLICY 3.6            Base priority for the development of neighborhood centers on relative  
need.

OBJECTIVE 4            PROVIDE NEIGHBORHOOD CENTERS THAT ARE RESPONSIVE TO  
THE COMMUNITY SERVED.

POLICY 4.1            Assure effective neighborhood participation in the initial planning,  
ongoing programming, and activities of multi-purpose neighborhood  
centers

*The Project is consistent with and implements the Community Facilities Element. The Project allows for community serving uses on the ground floor throughout the development. A community center and senior housing development is planned for Block G that among other community-based uses will include child care. Whether or not community uses will eventually establish themselves in other permitted locations will depend on community needs and demands as well as broader market factors as the Project gets built out.*

**PUBLIC SAFETY ELEMENT**

- OBJECTIVE 2            REDUCE STRUCTURAL AND NON-STRUCTURAL HAZARDS TO LIFE SAFETY, MINIMIZE PROPERTY DAMAGE AND RESULTING SOCIAL, CULTURAL AND ECONOMIC DISLOCATIONS RESULTING FROM FUTURE DISASTERS.
- POLICY 2.1            Assure that new construction meets current structural and life safety standards.
- POLICY 2.3            Consider site soils conditions when reviewing projects in areas subject to liquefaction or slope instability.
- POLICY 2.9            Consider information about geologic hazards whenever City decisions that will influence land use, building density, building configurations or infrastructure are made.
- POLICY 2.12           Enforce state and local codes that regulate the use, storage and transportation of hazardous materials in order to prevent, contain and effectively respond to accidental releases.

*The Project is consistent with and implements the Community Safety Element. All improvements, including infrastructure, buildings and open space improvements will be constructed to local seismic standards, taking into account, among other considerations, the geological condition of the soil and where applicable, any remediation activity.*

**AIR QUALITY ELEMENT**

*The Air Quality Element is concerned, in part, with reducing the level of pollutants in the air, thus protecting and improving public health, welfare and the quality of life of the citizens of San Francisco and the residents of the metropolitan region. It emphasizes that opportunities for economic growth in the area can be enhanced through implementation of transportation, land use and other policies in harmony with clean air goals.*

*The following objectives and policies are relevant to the Project:*

- OBJECTIVE 3            DECREASE THE AIR QUALITY IMPACTS OF DEVELOPMENT BY COORDINATION OF LAND USE AND TRANSPORTATION DECISIONS.
  
- POLICY 3.1            Take advantage of the high density development in San Francisco to improve the transit infrastructure and also encourage high density and compact development where an extensive transportation infrastructure exists.
  
- POLICY 3.2            Encourage mixed land use development near transit lines and provide retail and other types of service oriented uses within walking distance to minimize automobile dependent development.
  
- POLICY 3.6            Link land use decision making policies to the availability of transit and consider the impacts of these policies on the local and regional transportation system.
  
- POLICY 3.9            Encourage and require planting of trees in conjunction with new development to enhance pedestrian environment and select species of trees that optimize achievement of air quality goals

*The Project is consistent with and implements the Air Quality Element in that it calls for mixed-use predominately residential, moderate density, sustainable development that will enable efficient use of land and encourage travel by transit and by foot, thereby reducing auto use. The Project will be built to LEED Neighborhood Development standards. While the Hope SF Potrero EIR identifies potential significant and unavoidable impacts regarding air pollutant emissions, the impacts are largely traffic and construction related, which, in turn, is substantially due to the Project's scale. The Project is nonetheless consistent with the Air Quality Element because it satisfies and implements the preponderance of Element's objectives and policies; most importantly, the Project furthers the Element's emphasis on efficient and compact development.*

### **General Plan Priority Finding**

(Planning Code Section 101.1 Findings)

Planning Code Section 101.1(b) establishes eight priority policies and is a basis by which differences between competing policies in the General Plan are resolved. As described below, the Project is consistent with the eight priority policies set forth in Planning Code Section 101.1(b).

1. That existing neighborhood serving retail uses be preserved and enhanced and future opportunities for resident employment in or ownership of such businesses enhanced.

*The Project will preserve and enhance existing neighborhood serving retail uses. The Project would potentially accommodate roughly 15,000 square feet of new retail uses. The retail uses are envisioned to be local serving. The project does not include the removal of any existing neighborhood serving retail and is not expected to unduly compete against long established Potrero or Dogpatch neighborhood commercial districts along 18<sup>th</sup> Street and 22<sup>nd</sup> Street.*

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods.

*The Project accommodates new development on land that is underutilized and improvements that are dilapidated. While it would remove existing housing, the housing will be replaced by significantly improved housing in a neighborhood pattern much more similar to the rest of Potrero Hill than what exists today. Existing tenants will be actively engaged in the relocation planning process and will be offered on-site relocation opportunities as part of a larger community building strategy employed by HOPE SF to preserve the cultural and economic diversity of the neighborhood. . Outside of the boundaries of the Housing Authority site and of the adjacent site partially owned by the San Francisco School District, no Potrero Hill building would be effected by the Project.*

3. That the City's supply of affordable housing be preserved and enhanced.

*The Project is a part of the Hope SF, the Mayor's signature anti-poverty initiative aimed at eradicating intergenerational poverty. . As noted above, existing affordable units will be demolished and replaced with significantly improved units at the same affordable levels as the units removed. Along with replacement units for extremely low income households, about 335 additional affordable units for low income households are also proposed.*

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking.

*The Project anticipates and accommodates new transit as planned through the City's Muni Forward Project. Design of streets and bus stops will include bus bulbs and bus shelters; street cross sections and corner design will assure sufficient space for bus travel. Moreover, the Project includes the creation of a pedestrian-oriented street and open space network that will encourage alternative modes of transportation. The Project will provide less than one-to-one parking, further encouraging travel by other modes of travel other than by single-occupancy vehicle.*

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced.

*The Project would not adversely affect the industrial sector or service sectors. No such uses would be displaced by the sectors. Construction activity generated by the Project, however, will support these sectors.*

6. That the City achieves the greatest possible preparedness to protect against injury and loss of life in an earthquake.

*All new construction would be subject to the City's Building Code, Fire Code and other applicable safety standards. Thus, the Project would improve preparedness against injury and loss of life in an earthquake by prompting development that would comply with applicable safety standards.*

7. That landmarks and historic buildings be preserved.

*The Project would not accommodate the removal, demolition, or of any known landmark or historic building.*

8. That our parks and open space and their access to sunlight and vistas be protected from development.

*On balance, the Project would improve the City's open space and park system and would not adversely effect parks access to sunlight and vistas. The project includes providing roughly 3.5 acres of additional parks to the City's overall park system. The site is immediately adjacent to and downslope to the Potrero Recreation Center. Because the proposal does include constructing*



*buildings immediately across the street from the park, new shadows will be created on the park, and some views from the park will be changed. However, the EIR has shown that the new shadows would not cause a significant adverse effect. Similarly, a mitigation measure has been established to limit the height of some buildings across 23<sup>rd</sup> Street from the park to assure that the view southward from the park is sufficiently retained. Most of the area on the perimeter of the park that would be effected by shadows and where views would change are characterized by heavily forested trees on steep slopes, where most park use is limited. Given that additional parks and accessible green space is being added by the Project, and the impacts of the proposed development on Potrero Recreation Center are limited, on balance, the Project is consistent with this General Plan Priority Finding.*

1 [Development Agreement - BRIDGE Potrero Community Associates, LLC - Potrero HOPE SF  
2 Project]

3 **Ordinance approving a Development Agreement between the City and County of San**  
4 **Francisco, the Housing Authority of the City and County of San Francisco, and BRIDGE**  
5 **Potrero Community Associates, LLC, for the Potrero HOPE SF Project at the**  
6 **approximately 38-acre irregularly-shaped site bounded by 23rd Street and Missouri**  
7 **Street to the north, Texas Street to the east, 25th Street and 26th Street to the south,**  
8 **and Wisconsin Street to the west; confirming the Development Agreement's**  
9 **compliance with, or waiving certain provisions of, Administrative Code,**  
10 **Chapters 14B, 29, and 56; approving the use of impact fees and exactions for**  
11 **improvements and other community benefits, as set forth in the Development**  
12 **Agreement, and waiving any conflicting fee provisions in Planning Code, Article 4;**  
13 **ratifying past actions taken in connection with the Development Agreement;**  
14 **authorizing further actions taken consistent with this Ordinance; making findings**  
15 **under the California Environmental Quality Act; and making findings of conformity with**  
16 **the General Plan, and with the eight priority policies of Planning Code, Section**  
17 **101.1(b).**

18 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
19 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
20 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
21 **Board amendment additions** are in double-underlined Arial font.  
22 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
23 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
24 subsections or parts of tables.

25 Be it ordained by the People of the City and County of San Francisco:

Section 1. Project Findings.

1 (a) California Government Code Section 65864 et seq. authorizes any city, county,  
2 or city and county to enter into an agreement for the development of real property within its  
3 jurisdiction.

4 (b) Chapter 56 of the Administrative Code ("Chapter 56") sets forth certain  
5 procedures for the processing and approval of development agreements in the City and  
6 County of San Francisco (the "City").

7 (c) HOPE SF is the nation's first large-scale public housing transformation  
8 collaborative aimed at disrupting intergenerational poverty, reducing social isolation, and  
9 creating vibrant mixed-income communities without mass displacement of current residents.  
10 Launched in 2007, HOPE SF is a human and real estate capital commitment by the City.  
11 HOPE SF, the City's signature anti-poverty and equity initiative, is committed to breaking  
12 intergenerational patterns related to the insidious impacts of trauma and poverty, and to  
13 creating economic and social opportunities for current public housing residents through deep  
14 investments in education, economic mobility, health and safety.

15 (d) The Potrero HOPE SF project (the "Project"), which is located in the Potrero Hill  
16 neighborhood, is an approximately 38-acre irregularly shaped site bounded by 23rd Street  
17 and Missouri Street to the north, Texas Street to the east, 25th Street and 26th Street to the  
18 south and Wisconsin Street to the west in San Francisco

19 (e) The San Francisco Housing Authority owns and operates 619 units of public  
20 housing on the approximately 38-acre site of the Project.

21 (f) The Project is a mixed-use, mixed-income development with several different  
22 components: (i) construction of the public infrastructure to support the Project; (ii)  
23 development of private affordable housing on affordable parcels in accordance with an  
24 affordable housing plan; (iii) development of private residential projects on market rate  
25 parcels; and (iv) development of community improvements (e.g., open space areas,

1 community facilities) throughout the Project. The Potrero HOPE master plan consists of a  
2 maximum of 1,700 units, of which approximately 800 are replacement units for existing  
3 Potrero households and additional affordable housing units. There are also up to 800 units  
4 that will be for market rate homeownership and rental. The master plan includes all new  
5 streets and utility infrastructure, 3.5 acres of new open spaces, and approximately 50,000  
6 square feet of new neighborhood serving spaces.

7 (g) BRIDGE Potrero Community Associates, LLC (the "Developer") filed an  
8 application with the City's Planning Department for approval of a development agreement  
9 relating to the Project Site (the "Development Agreement") under Chapter 56. A copy of the  
10 Development Agreement is on file with the Clerk of the Board of Supervisors in File No.  
11 161161 and is incorporated herein by reference.

12 (h) This ordinance is companion legislation to other ordinances relating to the  
13 Potrero HOPE SF project, including Planning Code amendments and Zoning Map  
14 amendments. These ordinances are on file with the Clerk of the Board of Supervisors in File  
15 Nos. 161159, 161160, and 161308.

16 (i) The Project will help realize and further the City's HOPE SF goals. In addition to  
17 helping the City realize and further such goals, the City has determined that development of  
18 the Project under the Development Agreement will provide additional benefits to the public  
19 that could not be obtained through application of existing City ordinances, regulations and  
20 policies. The Development Agreement will eliminate uncertainty in the City's land use planning  
21 for the Project and secure orderly development of the Project.

## 22 Section 2. Environmental and Land Use Findings.

23 The Board of Supervisors adopted a companion ordinance related to General Plan  
24 amendments for the Project. This companion ordinance described the Project and included  
25 findings under the California Environmental Quality Act (Public Resources Code Sections

1 21000 et seq.), and findings of consistency with the General Plan, and the eight priority  
2 policies of Planning Code Section 101.1. The Board of Supervisors adopts all of these  
3 findings for purposes of this ordinance. The companion ordinance on the General Plan  
4 amendments and the accompanying findings are on file with the Clerk of the Board of  
5 Supervisors in File No. 161308 and are incorporated herein by reference.

6 Section 3. Approval of Development Agreement.

7 (a) The Board of Supervisors approves all of the terms and conditions of the  
8 Development Agreement, in substantially the form on file with the Clerk of the Board of  
9 Supervisors in File No. 161161.

10 (b) The Board of Supervisors approves and authorizes the execution, delivery and  
11 performance by the City of the Development Agreement as follows: (i) the Director of  
12 Planning and (other City officials listed thereon) are authorized to execute and deliver the  
13 Development Agreement and consents thereto, and (ii) the Director of Planning and other  
14 appropriate City officials are authorized to take all actions reasonably necessary or prudent to  
15 perform the City's obligations under the Development Agreement in accordance with its terms.  
16 The Director of Planning, at his or her discretion and in consultation with the City Attorney, is  
17 authorized to enter into any additions, amendments or other modifications to the Development  
18 Agreement that the Director of Planning determines are in the best interests of the City and  
19 that do not materially increase the obligations or liabilities of the City or materially decrease  
20 the benefits to the City as provided in the Development Agreement. Final versions of such  
21 documents shall be provided to the Clerk of the Board for inclusion in the official file within 30  
22 days of execution by all parties.

23 Section 4. Potential Conflict of Development Agreement with Administrative Code;  
24 Waiver of Administrative Code Provisions.

1 (a) In the event of any conflict between any provision of the Development Agreement  
2 and Administrative Code Chapters 14B, 29 or 56, the Development Agreement provision shall  
3 prevail,

4 (b) Without limiting the scope of subsection (a), above, which applies to the  
5 Administrative Code Chapters mentioned therein in their entirety, the provisions of  
6 Administrative Code Chapters 14B, 29 and 56 designated below are, as to the Development  
7 Agreement, hereby waived or deemed satisfied. The omission below of a reference to a  
8 particular provision in the Development Agreement or a particular provision in one of the  
9 aforementioned Administrative Code Chapters shall not be construed to negate the  
10 applicability of subsection (a) to such provisions.

11 (1) The Project comprises nearly 40 acres and is the type of large multi-phase and/or  
12 mixed-use development contemplated by the Administrative Code and is deemed to satisfy  
13 the provisions of Chapter 56, Section 56.3(g).

14 (2) The provisions of Development Agreement Section 6.6 and the Workforce MOU  
15 attached to the Development Agreement as Exhibit I shall apply in lieu of the provisions of  
16 City Administrative Code Chapter 14B, Section 14B.20 and Chapter 56, Section 56.7(c).

17 (3) The provisions of the Development Agreement regarding any amendment or  
18 termination, including those relating to "Material Change," shall apply in lieu of the provisions  
19 of Chapter 56, Section 56.15.

20 (4) The City established the HOPE SF Fund through Ordinance No. 180-07, and  
21 affirmed its commitment to HOPE SF through Resolution No. 556-07. Together, those actions  
22 shall apply in lieu of the provisions of Administrative Code Chapter 29.

23 Section 5. Planning Code Fee Waiver for the Eastern Neighborhoods Impact Fee.

24 Notwithstanding the fee payment requirements of Planning Code Sections 423 et  
25 seq. (Eastern Neighborhoods Impact Fee), the fee payments for the Project as identified in

1 this ordinance are hereby waived. In lieu of paying said fees, the Developer shall pay the  
2 equivalent amount of fees directly to the Mayor's Office of Housing and Community  
3 Development to fund infrastructure and community benefits within the boundaries of the  
4 HOPE SF Potrero Special Use District and as contemplated in the Development  
5 Agreement. Said fees shall be paid at the same time fees are paid in accordance with  
6 Planning Code Sections 423.3 and 423.4.

7 Section 6. Administrative Code Chapter 56 Waiver.

8 In connection with the Development Agreement, the Board of Supervisors finds that the  
9 requirements of Chapter 56, as modified hereby, have been substantially complied with and  
10 waives any procedural or other requirements of Chapter 56 if and to the extent that they have  
11 not been strictly complied with.

12 Section 7. Ratification of Past Actions; Authorization of Future Actions.

13 All actions taken by City officials in preparing and submitting the Development  
14 Agreement to the Board of Supervisors for review and consideration are hereby ratified and  
15 confirmed, and the Board of Supervisors hereby authorizes all subsequent action to be taken  
16 by City officials consistent with this ordinance.

17 Section 8. Effective and Operative Dates.

18 (a) This ordinance shall become effective 30 days after enactment. Enactment occurs  
19 when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not  
20 sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the  
21 Mayor's veto of the ordinance.

22 (b) This ordinance shall become operative only on the later of (a) the effective date of  
23 this ordinance, or (b) the last occurring effective date among the companion ordinances  
24 identified in Section 1(h) of this ordinance. Copies of said ordinances are on file with the  
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161159, 161160, and 161308  
Clerk of the Board of Supervisors in File No. \_\_\_\_\_. No rights or duties are created under the  
Development Agreement until the operative date of this ordinance.

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

By:   
Heidi J. Gewertz  
Deputy City Attorney  
n:\land\as2016\1300402\01144773.docx





City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails
Ordinance

File Number: 161161

Date Passed: January 31, 2017

Ordinance approving a Development Agreement between the City and County of San Francisco, the Housing Authority of the City and County of San Francisco, and BRIDGE Potrero Community Associates, LLC, for the Potrero HOPE SF Project at the approximately 38-acre irregularly-shaped site bounded by 23rd Street and Missouri Street to the north, Texas Street to the east, 25th Street and 26th Street to the south, and Wisconsin Street to the west; confirming the Development Agreement's compliance with, or waiving certain provisions of, Administrative Code, Chapters 14B, 29, and 56; approving the use of impact fees and exactions for improvements and other community benefits, as set forth in the Development Agreement, and waiving any conflicting fee provisions in Planning Code, Article 4; ratifying past actions taken in connection with the Development Agreement; authorizing further actions taken consistent with this Ordinance; making findings under the California Environmental Quality Act; and making findings of conformity with the General Plan, and with the eight priority policies of Planning Code, Section 101.1(b).

January 11, 2017 Budget and Finance Committee - RECOMMENDED

January 24, 2017 Board of Supervisors - PASSED, ON FIRST READING

January 31, 2017 Board of Supervisors - FINALLY PASSED

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

File No. 161161

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 1/31/2017 by the Board of Supervisors of the City and County of San Francisco.

Handwritten signature of Angela Calvillo
Angela Calvillo
Clerk of the Board

Handwritten signature of Mayor
Mayor

Handwritten date: 2/01/17
Date Approved

1 [General Plan Amendments - Potrero HOPE SF Project]

2  
3 **Ordinance amending the General Plan in connection with the Potrero HOPE SF project;**  
4 **adopting findings under the California Environmental Quality Act; making findings of**  
5 **consistency with the General Plan as proposed for amendment, and the eight priority**  
6 **policies of Planning Code, Section 101.1; and adopting findings of public necessity,**  
7 **convenience, and welfare under Planning Code, Section 340.**

8 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
9 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
10 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
11 **Board amendment additions** are in double-underlined Arial font.  
12 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
13 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
14 subsections or parts of tables.

15 Be it ordained by the People of the City and County of San Francisco:

16 Section 1. Findings.

17 (a) HOPE SF is the nation's first large-scale public housing transformation  
18 collaborative aimed at disrupting intergenerational poverty, reducing social isolation, and  
19 creating vibrant mixed-income communities without mass displacement of current  
20 residents. Launched in 2007, HOPE SF is a twenty-year human and real estate capital  
21 commitment by the City. HOPE SF, the City's signature anti-poverty and equity initiative, is  
22 committed to breaking intergenerational patterns related to the insidious impacts of trauma  
23 and poverty, and to creating economic and social opportunities for current public housing  
24 residents through deep investments in education, economic mobility, health, and safety. The  
25 Potrero HOPE SF Project (the "Project") will help realize and further the City's HOPE SF  
goals.

1 (b) The Project is located on the southern and eastern slopes of Potrero Hill and is  
2 generally bounded by 22nd Street and the Potrero Recreation Center to the north, Wisconsin  
3 Street to the west, 25th and 26th Streets to the south and Texas and Missouri Streets to the  
4 east.

5 (c) The San Francisco Housing Authority currently owns and operates 620 units on the  
6 approximately 39-acre (including streets) site.

7 (d) The Potrero HOPE SF Master Plan includes demolition of all existing units, vacation  
8 of portions of the right of way that currently cross the site diagonally, and building new streets  
9 that would better continue the existing street grid. The site would feature a new "Main Street"  
10 along a newly established segment of 24th Street. This new segment of 24th Street would be  
11 aligned with commercial and community uses, and parks and open space.

12 (e) The Project is a mixed-use, mixed-income development with several different  
13 components: (1) construction of the public infrastructure to support the Project; (2)  
14 development of private, mixed-use affordable housing on affordable parcels in accordance  
15 with an affordable housing plan; (3) development of private, mixed-use residential projects on  
16 market rate parcels; and (4) development of community improvements (e.g., 3.5 acres of open  
17 space areas, community facilities) throughout the Project. At completion, the Project would  
18 include up to 1,700 units, including Housing Authority replacement units (approximately 619  
19 units), and a mix of additional affordable units (approximately 335 units at varying levels of  
20 affordability including 200 additional affordable units) and market rate units (approximately  
21 800 units). The Project also includes approximately 15,000 gross square feet of retail, and  
22 30,000 gross square feet of community-serving uses.

23 (f) This ordinance is companion legislation to other ordinances relating to the Project,  
24 including Planning Code amendments, Zoning Map amendments, and a Development  
25 Agreement adoption.

1 (g) On December 10, 2015, in Motion No. 19529, the Planning Commission certified  
2 as adequate and complete the Potrero Hope SF Master Plan Project Environmental Impact  
3 Report/Environmental Impact Statement (Planning Case No. 2010.0515E) in accordance with  
4 the California Environmental Quality Act (California Public Resources Code Sections 21000 et  
5 seq.) and Administrative Code Chapter 31. Said Motion is on file with the Clerk of the Board  
6 of Supervisors in File No. 161308 and is incorporated herein by reference.

7 (h) On that same date, in Motion No. 19531, the Planning Commission adopted  
8 findings under the California Environmental Quality Act ("CEQA Findings") related to the  
9 Project. The Board adopts these CEQA Findings as its own. Said Motion and the CEQA  
10 Findings are on file with the Clerk of the Board of Supervisors in File No. 161308 and are  
11 incorporated herein by reference.

12 (i) On September 15, 2016, 2016, in Motion No. 19738, the Planning Commission  
13 initiated the actions contemplated in this ordinance. Said Motion is on file with the Clerk of the  
14 Board of Supervisors in File No. 161308.

15 (j) On December 10, 2015, in Motion No. 19531, the Planning Commission adopted  
16 findings that the actions contemplated in this ordinance are consistent, on balance, with the  
17 City's General Plan as proposed for amendment and eight priority policies of Planning Code  
18 Section 101.1. In addition, the Planning Commission adopted additional CEQA Findings as  
19 part of this Motion. The Board adopts all of these findings as its own. A copy of said Motion  
20 is on file with the Clerk of the Board of Supervisors in File No. 161308, and is incorporated  
21 herein by reference.

22 (k) In this same Resolution, the Planning Commission in accordance with Planning  
23 Code Section 340 determined that this ordinance serves the public necessity, convenience,  
24 and general welfare. The Board of Supervisors adopts as its own these findings.

1 Section 2. The General Plan is hereby amended by revising the Recreation and Open  
2 Space Element and the Urban Design Element as follows:

3 **Recreation and Open Space Element**

4 Map 03 – Existing and Proposed Open Space. Insert indications of new parks within  
5 the Potrero HOPE SF boundaries pursuant to the Potrero HOPE SF Design Standards and  
6 Guidelines Document.

7 **Urban Design**

8 Map 4 - Urban Design Guidelines for Height of Buildings. Add shading representative  
9 of 41-88 feet height range to the boundaries of the Potrero HOPE SF site.

10  
11 Section 3. Effective Date. This ordinance shall become effective 30 days after  
12 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
13 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
14 of Supervisors overrides the Mayor's veto of the ordinance.

15  
16  
17 APPROVED AS TO FORM:  
18 DENNIS J. HERRERA, City Attorney

19 By: 

20 Robb W. Kapla  
21 Deputy City Attorney

22 n:\legana\as2016\1700204\01144395.docx  
23  
24  
25



City and County of San Francisco

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

Tails  
Ordinance

File Number: 161308

Date Passed: January 31, 2017

Ordinance amending the General Plan in connection with the Potrero HOPE SF project; adopting findings under the California Environmental Quality Act; making findings of consistency with the General Plan as proposed for amendment, and the eight priority policies of Planning Code, Section 101.1; and adopting findings of public necessity, convenience, and welfare under Planning Code, Section 340.

January 09, 2017 Land Use and Transportation Committee - RECOMMENDED

January 24, 2017 Board of Supervisors - PASSED, ON FIRST READING

January 31, 2017 Board of Supervisors - FINALLY PASSED

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

File No. 161308

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 1/31/2017 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo  
Clerk of the Board

Mayor

Date Approved


**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF STATE FINANCIAL ASSISTANCE**

2020 W. El Camino Avenue, Suite 670  
Sacramento, CA 95833  
(916) 263-2771  
[www.hcd.ca.gov](http://www.hcd.ca.gov)



September 21, 2021  
Amended October 5, 2022  
Amended May 5, 2022

**MEMORANDUM FOR:** HCD Pipeline Project Sponsors

**FROM:**   
Jennifer Seeger, Deputy Director  
Division of State Financial Assistance

**SUBJECT:** **California Housing Accelerator  
Project Solicitation (Amended) – Tier I**

The California Department of Housing and Community Development (Department or HCD) is announcing the availability of approximately \$1.6 billion in California Housing Accelerator money for the purposes of supporting shovel-ready projects that, despite having received one or more awards from other HCD programs, are unable to move forward due to funding gaps that resulted from their inability to access tax-exempt bond allocations or low-income housing tax credits.

This project solicitation represents the first of two California Housing Accelerator solicitations. This solicitation is for projects prioritized as Tier I based on the criteria outlined below. It is the Department's intent to issue the Tier II Project Solicitation as soon as Tier I applications are processed and Tier I funding levels are finalized. Priorities for Tier II are currently under development and funding priorities for Tier II will be based on the outcomes of Tier I funding.

### **Background**

A substantial share of the funding for HCD projects has traditionally been provided by equity raised from the sale of low-income housing tax credits, especially 4% tax credits. Due to various factors, these tax credits are now in short supply, which has delayed a number of shovel-ready projects with HCD awards. The purpose of the California Housing Accelerator is to enable these projects to quickly begin construction.

Funding available under this project solicitation is derived from the Coronavirus State Fiscal Recovery Fund (CSFRF), established by the federal American Rescue Plan Act of 2021 (ARPA) (Public Law 117-2). Through the 2021–22 California state budget, the funds have been allocated to this program. The mechanism for accessing them is the same as for other federal programs; no bond sale or similar financial arrangements are involved.

## **Eligibility**

Eligibility under this project solicitation is limited to HCD Pipeline Projects that meet the criteria for Tier I prioritization.

Specifically, Tier I projects must demonstrate:

- an award, issued on or after January 1, 2018, from at least one of the specified HCD multifamily housing programs,
- submittal of a CDLAC-TCAC Joint Application on or before July 1, 2021 which was unsuccessful in securing an allocation of bonds and tax credits, and
- evidence that, with a California Housing Accelerator award, the project will have complete financing and all entitlement approvals necessary to start construction within 180 days of award.

The Department has developed a list of the projects eligible for California Housing Accelerator funding. This list includes projects that potentially qualify under Tier I. This list, known as the “Multifamily Pipeline Tracker,” is available on the Department’s [California Housing Accelerator webpage](#). Sponsors with concerns or questions about the information on this list should notify the Department at [accelerator@hcd.ca.gov](mailto:accelerator@hcd.ca.gov). The Department reserves the right to verify eligibility for California Housing Accelerator funding and for Tier I prioritization at the time of application.

## **Application Submittal and Award Timeframes**

Tier I applications will be accepted via the Department’s online application portal beginning October 5, 2021. Applications for Tier I will be accepted on an over-the-counter basis through November 3, 2021.

All application materials for Tier I projects **must be submitted electronically** via the application portal on the Department’s [website](#) no later than **5:00 p.m. Pacific Standard Time on November 3, 2021**. Specific submittal instructions will be included in the application form, which is expected to be available on the website no later than September 30, 2021. Personal deliveries will not be accepted. No facsimiles, late submittals, incomplete applications, application revisions, courier deliveries, or walk-in application packages will be accepted.

## **Webinar and Technical Assistance**

The Department will conduct an online application workshop. The California Housing Accelerator application and online workshop details will be posted on the Department’s website [accelerator.hcd.ca.gov](http://accelerator.hcd.ca.gov). If you have any questions, please email [accelerator@hcd.ca.gov](mailto:accelerator@hcd.ca.gov).

Enclosure



# CALIFORNIA HOUSING ACCELERATOR

## TIER I

### PROJECT SOLICITATION AND GUIDELINES (Amended)



**Gavin Newsom, Governor  
State of California**

**Lourdes M. Castro Ramírez, Secretary  
Business, Consumer Services and Housing Agency**

**Gustavo Velasquez, Director  
California Department of Housing and Community Development**

2020 West El Camino Avenue, Suite 150, Sacramento, CA 95833

Telephone: 916-263-2771

Website: [accelerator.hcd.ca.gov](http://accelerator.hcd.ca.gov)

Email: [accelerator@hcd.ca.gov](mailto:accelerator@hcd.ca.gov)

**September 21, 2021**

**Amended October 5, 2021**

**Amended May 5, 2002**

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## I. Overview

### A. Funding Available

The California Department of Housing and Community Development (Department or HCD) is announcing the California Housing Accelerator, which will make approximately \$1.6 billion available to shovel-ready projects that, despite having received one or more awards from other HCD programs, are unable to move forward due to funding gaps that resulted from their inability to access tax-exempt bond allocations or low-income housing tax credits.

Funding available under this project solicitation is derived from the Coronavirus State Fiscal Recovery Fund (CSFRF), established by the federal American Rescue Plan Act of 2021 (ARPA) (Public Law 117-2). Through the 2021-22 California state budget, the funds have been allocated to this program.

### B. Tier I Timeline

This project solicitation represents the first of two California Housing Accelerator project solicitations. This project solicitation is for projects prioritized as Tier I based on criteria outlined below. Priorities for Tier II are currently under development. It is the Department's intent to issue the Tier II solicitation as soon as Tier I applications are processed and Tier I funding levels finalized.

Tier I Timeline	
Project Solicitation Release	October 5, 2021
Application Release	October 5, 2021
Application O-T-C Period	October 5 to November 3, 2021
Award Announcements	Continuously as applications are approved, but no later than December 6, 2021
Funds encumbered through an executed Standard Agreement	No later than June 30, 2024
Permanent Loan Conversion	No later than November 30, 2026

### C. Authorizing Legislation and Applicable Law

Assembly Bill No. 140 (Chapter 111, Statutes of 2021), which was signed by Governor Newsom on July 19, 2021, created the statutory basis for the California Housing Accelerator by adding Chapter 6.6 (commencing with Section 50672) to Part 2 of Division 31 of the Health and Safety Code.

Health and Safety Code section 50672.3 states, "In order to expedite the development of qualified rental housing developments that are ready to proceed to construction except for obtaining tax credit or bond allocations from the California Tax Credit Allocation Committee and the California Debt Limit Allocation

Committee, the department may adopt guidelines to administer this chapter. Guidelines adopted pursuant to this chapter shall not be subject to the requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).”

This project solicitation serves as the Department’s guidelines for administration of the California Housing Accelerator. As such, the project solicitation and guidelines (collectively, Project Solicitation) establish the terms, conditions, forms, procedures, and other mechanisms that the Department deems necessary to exercise its powers and to perform its duties pursuant to the California Housing Accelerator. The matters set forth herein are regulatory mandates and are adopted as regulations that have the dignity of statutes. (*Ramirez v. Yosemite Water Company, Inc.* (1999) 20 Cal.4<sup>th</sup> 785, 799 [85 Cal.Rptr.2d 844].)

Any California Housing Accelerator awards will tie into the Existing HCD Commitment. Therefore, the regulations, guidelines, and other terms of the Existing HCD Commitment shall govern the Project’s recorded regulatory agreement and other loan documents. California Housing Accelerator-specific terms, conditions, and restrictions will be expressly incorporated into the Existing HCD Commitment’s loan documents. California Housing Accelerator-specific terms and conditions will be memorialized in either a separate Standard Agreement or in the Standard Agreement for the Existing HCD Commitment.

The Department will only amend this Project Solicitation as necessary and in accordance with the Department’s guideline authority pursuant to Health and Safety Code section 50672.3.

1. [These guidelines have been amended to incorporate the applicable provisions outlined in the May 5, 2020 omnibus guideline amendment.](#)

## **II. Program Requirements**

### **A. Eligible Project**

1. To be eligible for a California Housing Accelerator Tier I award, the Project must have received an award letter from a multifamily housing program administered by the Department no earlier than January 1, 2018, and the award must not have expired, been terminated, or disencumbered, or been otherwise held to be void.
2. Qualifying HCD funding programs include the following:
  - Affordable Housing and Sustainable Communities Program
  - Community Development Block Grant Program – Disaster Recovery
  - HOME Investment Partnerships Program
  - Housing for a Healthy California Program
  - Infill Incentive Grant Program of 2007 (with an Existing HCD Commitment to a Qualifying Infill Project)

- Infill Infrastructure Grant Program of 2019 (with an Existing HCD Commitment to a Qualifying Infill Project)
- Joe Serna, Jr. Farmworker Housing Grant Program
- Multifamily Housing Program
- National Housing Trust Fund
- No Place Like Home Program
- Supportive Housing Multifamily Housing Program
- Transit-Oriented Development Implementation Program
- Veterans Housing and Homelessness Prevention Program

Community Development Block Grant-Disaster Recovery (CDBG-DR) projects must have received a notice to proceed or conditional approval from HCD to be eligible for Tier I.

HCD assistance to a Qualifying Infill Area (QIA) under the Infill Incentive Grant Program of 2007 or the Infill Infrastructure Grant Program of 2019 does not, by itself, qualify a housing development within the QIA for California Housing Accelerator funding. Rather, a qualifying housing development within the QIA must meet the California Housing Accelerator's definition of a Qualified Rental Housing Development.

No Place Like Home projects funded directly by Alternative Process Counties do not qualify for an award under the California Housing Accelerator, unless they have an award from another qualifying HCD program.

3. The Applicant must have submitted a CDLAC-TCAC Joint Application, no later than July 1, 2021, and been denied. Applicants that have received and returned an allocation, or otherwise withdrew an application recommended for an allocation, are not eligible for an award under this Project Solicitation unless a subsequent application was submitted by July 1, 2021 that was unsuccessful.

## **B. Eligible Applicants**

All California Housing Accelerator applications must be submitted by and include all Sponsors in connection with the Existing HCD Commitment. However, where there is a public agency co-Sponsor, the application may be submitted solely by the public agency's co-Sponsor(s), provided that the public agency agrees to become a co-Sponsor prior to construction loan closing by executing the Standard Agreement as a co-Sponsor.

For federally funded programs where the Sponsor is a subrecipient of an HCD commitment from a locality in the form of loan from that locality of those funds (e.g., CDBG-DR and HOME), the Department will consider that loan to the Sponsor an Existing HCD Commitment. To the extent necessary, if the prime recipient locality is unwilling or unable to amend its agreement and loan documents to incorporate the provisions of the Accelerator award consistent with this project solicitation, HCD will prepare its own Accelerator documents to memorialize the terms and requirements for the Accelerator funds. Such documents may include

but are not limited to a promissory note, deed of trust, grant agreement, disbursement agreement, covenant, and regulatory agreement, all as may be applicable.

### **C. Eligible Uses of Funds**

California Housing Accelerator funds shall be used only for expenses that would be categorized as project costs by the federal low-income housing tax credit program, including, but not limited to, commercial costs and reasonable reserves. The Department reserves the right to disallow costs that do not constitute reasonable project costs, as determined by the Department in its sole and absolute discretion. The Department reserves the right, consistent with applicable law, to require prior written approval from the Department for all reserve withdrawals, whether the reserve was required by the Department or not.

### **D. Threshold Application Requirements**

1. Demonstrate readiness to commence construction within 180 days of award. Applicants shall provide a written certification in their application, in form and substance satisfactory to the Department, confirming site control, entitlements, approved site plans, environmental clearances, and complete financing.

For the purposes of the California Housing Accelerator, “commencement of construction” means the first land-disturbing activity associated with a project, including land preparation such as clearing, grading, and filling or the first alteration of any wall, ceiling, floor, or other structural part of a building, whether or not that alteration affects the external dimensions of the building.

2. Submittal of the CDLAC-TCAC Joint Application prior to July 1, 2021.
3. Compliance with the requirements specified in this Project Solicitation.
4. Submittal of a complete California Housing Accelerator application, using unaltered application forms and including all required attachments.
5. Each private entity Applicant shall submit an authorizing resolution that, in the Department’s reasonable determination, materially comports with the California Housing Accelerator requirements and is legally sufficient. In addition, each private entity Applicant shall submit a complete set of its organizational documents (and all amendments thereto).

Please note that the Department will not approve a California Housing Accelerator Standard Agreement until it receives a complete set of authorizing and organizational documents from the Applicant, as specified. This set of documents shall also include, as applicable, a legally sufficient authorizing resolution from any public agency Applicant.

## **E. Funding Amounts and Terms**

### **1. Funds Available**

The maximum amount of California Housing Accelerator funds available under this Project Solicitation, and subsequent solicitations for future tiers, is approximately \$1.6 billion.

Pursuant to Health and Safety Code section 50672.2, subdivision (a)(2), \$50 million shall be awarded to Projects with an award letter from the Joe Serna, Jr. Farmworker Housing Grant Program. The Department will reserve \$50 million to achieve the statutorily mandated set-aside.

### **2. Maximum Award Amount**

### **3. Application Evaluation Process and Criteria**

Requests for California Housing Accelerator funds will be limited to Tier I eligible projects meeting all threshold requirements.

### **4. Application Fee**

Per Health and Safety Code section 50672.2, subdivision (d)(1), the Department has established an application fee of \$40,000.00 per California Housing Accelerator application. This refundable fee aims to discourage project application submissions for projects that are not shovel-ready. The fee will be fully refunded if the project meets the California Housing Accelerator's 180-day deadline for commencement of construction, or if the project obtains a tax credit allocation prior to commencement of construction and the California Housing Accelerator funds are disencumbered.

Applicants shall provide the Department with a check made payable to "HCD" in the foregoing amount. Applications submitted without this fee will not be considered for review. All checks for application fees shall be sent to the address specified below:

Department of Housing & Community Development  
Attn: Accounts Receivable  
California Housing Accelerator Fee: [Project Name]  
2020 W. El Camino Avenue, Suite 300 | Sacramento, CA 95833

### **5. Type of Assistance**

For all projects, California Housing Accelerator assistance will be in the form of forgivable loans, with terms of zero percent interest for 20 years, with no residual receipts or periodic payment requirements during the life of the California Housing Accelerator loan.

The loan will be forgiven by the Department at the end of the 20-year loan term as long as all of the following are true, as determined by the Department in its sole and absolute discretion:

- the Sponsor remains in good standing with the California Secretary of State,
- the Project is not in default under the terms of any of the Department's loan documents for that project, and
- negative points have not been assessed against the Sponsor during the previous five (5) years in connection with any Department-assisted project.

The California Housing Accelerator loan shall be subject to repayment if, during the 20-year term, the Project is (1) converted to market rate housing; or (2) sold or refinanced with a distribution of net equity.

California Housing Accelerator funds will be disbursed through escrow at the time of the Project's permanent financing closing.

If a California Housing Accelerator Applicant receives a Tier I funding award and has a pending application with CDLAC and/or TCAC, and that application is thereafter recommended to receive bonds and/or tax credits, the California Housing Accelerator funds must be returned to the Department and will be reallocated as part of a subsequent Tier II Project Solicitation. If a California Housing Accelerator Applicant withdraws a pending application from CDLAC and/or TCAC prior to or after receiving an award of California Housing Accelerator funds, that Applicant will no longer be eligible for California Housing Accelerator funding.

## **6. Developer Fee Limits**

Total developer fee for a Project shall not exceed the lesser of: (a) \$2,200,000; or (b) the sum of 15% of the project's unadjusted residential construction-related eligible basis, 5% of the project's unadjusted acquisition eligible basis and 15% of the eligible basis for the project's nonresidential costs, or (c) the amount approved by HCD pursuant to UMR Section 8312(b) or (c) as payable from development funding sources under the terms of the Existing HCD Loan Commitment or the federally funded program for which HCD is serving as a pass-through entity.

## **7. Restrictions on Future Tax Credit Applications and Syndicating Losses**

All California Housing Accelerator Sponsors are prohibited from applying for or receiving a tax credit allocation on a California Housing Accelerator funded Project for a period of 20 years from the California Housing Accelerator loan closing date for that Project. This prohibition will be memorialized, as appropriate, in all California Housing Accelerator terms and conditions.

If, following a California Housing Accelerator application and award, a Sponsor syndicates and sells a portion of their ownership interest to a partner or



equivalent party seeking tax losses associated with the project, and such syndication was not set forth in the California Housing Accelerator application, nine-tenths of the gross proceeds of that sale shall be remitted to the Department as recaptured California Housing Accelerator funds. Exceptions to this requirement may be granted by the Department where a Sponsor demonstrates that such syndication proceeds would either (i) pay for the lowest reasonable development cost increase that is consistent with the project's original scope as identified in the original HCD application, or (ii) capitalize a services reserve for special needs projects. The Department's written approval of these exceptions is required prior to assignment, transfer, or conveyance of any ownership interest in the project.

## **8. Commencement of Construction Deadline**

All California Housing Accelerator awarded projects must commence construction no later than **180 days from the date of award**. For the purposes of the California Housing Accelerator, commencement of construction means the first land-disturbing activity associated with a project, including land preparation such as clearing, grading, and filling, or the first alteration of any wall, ceiling, floor, or other structural part of a building, whether or not that alteration affects the external dimensions of the building. The Department may, in its sole and absolute discretion, extend this deadline due to conditions beyond the control of the Sponsor, for a period not to exceed 90 days.

Failure to meet the commencement of construction deadline, or any Department-approved extension, will result in the forfeiture of the application fee and the California Housing Accelerator award. Such failure will also cause the Department to assess negative points when scoring any future application by the Sponsor for Department funding, unless the Sponsor secures a CDLAC/TCAC allocation, and the California Housing Accelerator funds are disencumbered by the Department's deadline.

Within seven (7) months of award, the Sponsor shall submit documentary evidence to the Department that construction commenced within the statutory 180-day time period. If the Department extends the deadline for commencement of construction, as authorized, the Sponsor's deadline for submitting the foregoing documentary evidence shall be extended in the same increment as the extension for commencement of construction. Qualifying forms of documentary evidence include:

- Recordation of a notice of commencement,
- Date- and time-stamped photographs,
- Physical inspection report, or
- Other documentation subject to the approval of the Department.

Failure to submit qualifying documentary evidence within the specified timeframes may result in forfeiture of the application fee, forfeiture of the award, and/or an assessment of negative points relative to any future application for Department funding.

## 9. Legal Documents

### a. Standard Agreement

Upon the award of California Housing Accelerator funds to a project, the Department shall enter into one or more agreements with the Sponsor(s), including an STD 213, Standard Agreement, which shall encumber funds from the California Housing Accelerator, subject to specified conditions. The agreement or agreements shall include, but not be limited to, the following provisions:

- i. A description of the approved Project and the permitted uses of funds;
- ii. The amount and terms of the California Housing Accelerator loan;
- iii. The income, occupancy, and rent restrictions to be imposed on the Project through a regulatory agreement recorded against the property of the Project;
- iv. Performance milestones, and other progress metrics, governing the completion of the Project, along with the remedies available to the Department in the event of a failure to meet such milestones or metrics;
- v. Special conditions imposed as part of the Department's approval of the Project;
- vi. Terms and conditions required by federal and state law;
- vii. Requirements for reporting to the Department;
- viii. Remedies available to the Department in the event of a violation, breach, or default of the agreement; and
- ix. Provisions regarding Sponsor liability. Specifically, the Sponsor will remain liable to the Department for compliance with and the performance of all California Housing Accelerator requirements regardless of any Department-approved transfer or assignment of interest. Likewise, each co-Sponsor will remain jointly and severally liable to the Department for compliance with and the performance of all California Housing Accelerator requirements regardless of any Department-approved transfer or assignment of interest.

The agreement will also include such other provisions as are necessary to ensure adherence to the objectives and requirements of the California Housing Accelerator.

## **b. Regulatory Restrictions and Loan Documentation**

- i. California Housing Accelerator terms, conditions, and restrictions will be expressly incorporated into the loan documents of the Existing HCD Commitment.
- ii. The Department will append and incorporate an California Housing Accelerator exhibit into the Existing HCD Commitment's loan regulatory agreement to be recorded on the property. The exhibit will set forth the project's California Housing Accelerator-specific requirements, terms, and conditions. The exhibit will impose, for a 55-year period, the same income, occupancy, and rent restrictions that were represented in the Sponsor's most recent unsuccessful application to TCAC/CDLAC, and it will require the same service amenities that were represented in that application. The Department may, however, expressly approve alternative California Housing Accelerator restrictions and required service amenities for the purpose of maintaining consistency with the Existing HCD Commitment. The regulations, guidelines, and other terms of the Existing HCD Commitment shall govern the integrated regulatory agreement.
- iii. California Housing Accelerator requirements, terms, and conditions will also be incorporated into the promissory note and deed of trust of the Existing HCD Commitment, as well as any other of the Existing HCD Commitment's loan documents, as necessary and appropriate. All such documents will be executed and recorded, as appropriate, at permanent financing close of escrow. For projects secured by leasehold security, leases must meet the requirements of UMR §8316, and both the borrower and the fee owner of the property must execute the Department's form template lease rider without modification. The lease rider amends the lease and must be recorded on the fee estate.
- iv. Cross-Default. If, in connection with the California Housing Accelerator-funded Project, the Sponsor defaults in the performance or observance of any Department term, condition, or restriction during the term of any Department contract or regulatory period, and such default continues beyond any cure period provided with respect thereto, the Department will avail itself of any and all remedies available to it under any and all Department terms, conditions, restrictions, and agreements relative to the Project, to include those of the Existing HCD Commitment.

## **10. Reporting Requirements**

In addition to the reports required in connection with the Existing HCD Commitment, Sponsor shall annually submit a report that details and certifies to the Department the following:

- a. Project met all terms and conditions recorded in its regulatory agreement and any Department covenants;
- b. no change in ownership or amendments to the organizational documents of the project has occurred during the reporting period;
- c. no tax credits, tax-exempt bond funds, or federal grants or loans with interest rates below the applicable federal rate have been used in the project since it was placed-in-service;
- d. services specified in the regulatory agreement were provided to the tenants during the reporting period; and
- e. the Project met all the terms and conditions, and is not currently in default, of any lender financing to the Project.

In addition, the Sponsor shall report data on the households occupying the Project, including information on rents charged and project income and expenses, and shall provide information sufficient to determine whether any cash flow limitation in the Department's regulatory agreement has been met.

Sponsor shall also submit such other periodic reports as deemed necessary by the Department to monitor compliance with the regulatory agreement and all California Housing Accelerator requirements. Such reports include, without limitation, a schedule of rental income, in form and substance satisfactory to the Department. Sponsor shall also duly submit all information required by the U.S. Department of the Treasury, which administers the federal funds allocated to the California Housing Accelerator.

## **11. Defaults and Cancellations**

In the event of a breach or violation by the Sponsor, the Department may give written notice to the Sponsor to cure the breach or violation. If the breach or violation is not cured to the satisfaction of the Department within a reasonable time period, the Department, at its option, may declare a default under the relevant document and may seek legal remedies for the default including the following:

- a. The Department may seek, in a court of competent jurisdiction, an order for specific performance of the defaulted obligation, the appointment of a receiver to complete the project in accordance with California Housing Accelerator requirements, or the commencement of foreclosure proceedings under the power of sale clause in the deed of trust; and
- b. The Department may seek such other remedies as may be available under the relevant agreement, at law, or in equity.

### **III. Other State and Federal Requirements**

#### **A. Article XXXIV**

Article XXXIV, section 1 of the California Constitution (Article XXXIV) is not applicable to development that consists of the acquisition, rehabilitation, reconstruction, alterations work, new construction, or any combination thereof, of lodging facilities or dwelling units using moneys appropriated and disbursed pursuant to Chapter 6.6 (commencing with Section 50672) of Part 2 of Division 31 of the Health and Safety Code. (Health & Saf. Code, § 37001, subd. (h)(4).) As such, Article XXXIV is not applicable to California Housing Accelerator-funded projects.

#### **B. Prevailing Wages**

Applicant's contemplated use of California Housing Accelerator funds is subject to California's prevailing wage law (Lab. Code, § 1720 et seq.). Applicants are urged to seek professional legal advice about the law's requirements. Prior to disbursing the California Housing Accelerator funds, the Department will require a certification of compliance with California's prevailing wage law, as well as all applicable federal prevailing wage law. The certification must verify that prevailing wages have been or will be paid (if such payment is required by law), and that labor records will be maintained and made available to any enforcement agency upon request. The certification must be signed by the general contractor(s) and all Project Sponsors.

#### **C. Environmental Review**

Guidance by the U.S. Department of the Treasury indicates that an environmental review under the National Environmental Policy Act (NEPA) is not required as a result of California Housing Accelerator funding. However, California Housing Accelerator projects may still be subject to NEPA review if they are also funded by other federal financial assistance programs.

The California Environmental Quality Act (CEQA) is still applicable to any award made under this program.

#### **D. Relocation**

Sponsor must comply with all applicable federal, state, and local relocation law. Pursuant to relocation law, a Sponsor must have a relocation plan prior to proceeding with any phase of a project or other activity that will result in the displacement of persons, businesses, or farm operations. To ensure that displaced persons or entities do not suffer a disproportionate impact as a result of projects which benefit the public, all notices to vacate and relocation services must be provided to them in accordance with applicable law. In addition, before the California Housing Accelerator Standard Agreement will be executed, Sponsor must have either: (1) a Department-approved relocation plan; or (2) a Department-issued Certification Regarding Non-Application of Relocation Benefits and

Indemnification Agreement, which has been duly executed and approved by the Department. The Department will identify its submittal requirements for these relocation documents in the California Housing Accelerator application materials. Where the Sponsor's activities will or may result in displacement, the Sponsor's development budget shall include enough funds to pay all costs of relocation benefits and assistance. Any modifications to the foregoing process requirements must be approved in advance by the Department in writing.

## **E. Accessibility and Non-Discrimination**

All projects must adhere to the accessibility requirements set forth in California Building Code (CBC) Chapter 11A and 11B, except as follows:

1. Instead of the minimum requirements established in 11B 233.3.1.1 and 11B 233.3.1.3, all new construction projects must provide a minimum of fifteen percent (15%) of the restricted units with mobility features, as defined in CBC 11B 809.2 through 11B 809.4, and a minimum of ten percent (10%) of the restricted units with communications features, as defined in CBC 11B 809.5.
2. Rehabilitation projects shall provide a minimum of ten percent (10%) of the restricted units with mobility features, as defined in CBC 11B 809.2 through 11B 809.4, and four percent (4%) with communications features, as defined in CBC 11B 809.5. The Department may approve a waiver of this requirement, provided that the Applicant and architect demonstrate that full compliance would be impractical or create an undue financial burden. All waivers must be approved in advance by the Department.
3. At least one of each common area facility type and amenity, as well as paths of travel between accessible units and such facilities and amenities, the building entry and public right of way, and the leasing office or area shall also be made accessible utilizing CBC Chapter 11(B) as a design standard.

Projects must also comply with the Americans with Disabilities Act of 1990 (ADA), Title II, and either the Uniform Federal Accessibility Standards (UFAS), Code of Federal Regulations (CFR) 24 CFR Part 8, or the U.S. Department of Housing and Urban Development's (HUD) modified version of the 2010 ADA Standards for Accessible Design (Alternative 2010 ADAS), HUD-2014-0042-0001, the Federal Register (F.R.) 79 F.R. 29671 (5/27/14) (commonly referred to as "the Alternative Standards" or "HUD Deeming Memo"). Accessible units shall, to the maximum extent feasible and subject to reasonable health and safety requirements, be distributed throughout the Project and be available in a sufficient range of sizes and amenities consistent with 24 CFR Part 8.26.

Sponsors shall adopt a written non-discrimination policy requiring that no person shall, on the grounds of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, age, medical condition, genetic information, citizenship, primary language, immigration status (except where explicitly

prohibited by federal law), arbitrary characteristics, and all other classes of individuals protected from discrimination under federal or state fair housing laws, individuals perceived to be a member of any of the preceding classes, or any individual or person associated with any of the preceding classes be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with program funds made available pursuant to this Project Solicitation.

Sponsors shall comply with the requirements of the ADA of 1990, the Fair Housing Amendments Act, the California Fair Employment and Housing Act, the Unruh Civil Rights Act, Government Code section 11135, Section 504 of the Rehabilitation Act of 1973, and all regulations promulgated pursuant to those statutes, including 24 CFR Part 100, 24 CFR Part 8, and 28 CFR Part 35.

## **F. Insurance Requirements**

The Sponsor shall obtain, and maintain for the term of the loan, hazard and liability insurance for the project in accordance with the Department's requirements, including flood insurance, if applicable. The Department must be named as a loss payee or an additional insured on all such policies. Such policies must also provide for notice to the Department in the event of any lapse of coverage and in the event of any claim thereunder. Prior to disbursement of the California Housing Accelerator loan, the Sponsor shall provide evidence satisfactory to the Department of compliance with these insurance requirements.

## **IV. Appeals**

### **A. Basis of appeals**

1. Applicants may appeal the Department's written determination that an application is incomplete, has failed threshold review, or has otherwise been determined to provide an insufficient basis for an award.
2. No Applicant shall have the right to appeal a decision of the Department relating to another Applicant's application (e.g., eligibility, award).
3. The appeal process provided herein applies solely to decisions of the Department made pursuant to this Project Solicitation.

### **B. Appeal process and deadlines**

1. **Process.** To file an appeal, Applicants must submit to the Department a written appeal, which sets forth all relevant facts, arguments, and evidence in support of the appeal. Appeals are to be submitted to the Department at [accelerator@hcd.ca.gov](mailto:accelerator@hcd.ca.gov).
2. **Filing Deadline.** Appeals must be received by the Department no later than five (5) business days from the date of the Department's written determination regarding the subject application.

3. **Decision.** The requirements of this Project Solicitation and all other applicable law will govern the Department's determination. All decisions rendered shall be final, binding, and conclusive, and shall constitute the final action of the Department.

## **V. Award announcements and contracts**

### **A. Award announcements**

The Department intends to announce awards as individual projects are approved, but not later than December 6, 2021.

### **B. Disclosure of Application**

The application is a public record and is subject to disclosure pursuant to the California Public Records Act (CPRA) (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code). After final California Housing Accelerator awards have been issued under this Project Solicitation, the Department may disclose any materials provided by the Applicant to any person making a request under the CPRA. The Department cautions Applicants to use discretion in providing information not specifically requested, including, but not limited to, bank account numbers, personal phone numbers, and home addresses. By volunteering such information to the Department, the Applicant is waiving any claim of confidentiality and consents to the disclosure of submitted material upon request.

## **VI. Other Terms and Conditions**

### **A. Conflicts**

In the event of any conflict between the terms of this Project Solicitation and applicable state or federal law, the terms of the applicable state or federal law shall control. By submitting a California Housing Accelerator application to the Department, Applicants acknowledge that they have read and obtained legal advice regarding this Project Solicitation and all applicable state and federal laws, and that they fully understand the requirements thereof.

## **VII. Definitions**

Below are the definitions for purposes of the California Housing Accelerator:

"Applicant" means the entity or entities applying to the Department for California Housing Accelerator funding of their Qualified Rental Housing Development. Such entity or entities must also be the Sponsor of the Qualified Rental Housing Development, except as allowed under II.B. of this Project Solicitation. Upon receiving an award of California Housing Accelerator funds, the Applicant or co-Applicants will, both individually and collectively, be referred to as the "Sponsor" for purposes of this Project Solicitation.



“Area Median Income” means the most recent applicable county median family income, adjusted by household size, published by the California Tax Credit Allocation Committee.

“Department” or “HCD” means the California Department of Housing and Community Development.

“Existing HCD Commitment” means the existing commitment of Department funds to the Qualified Rental Housing Development, as well as the Department loan program making that commitment.

“Homeless Household” means a household that meets one of the (1) – (4) criteria set forth at California Code of Regulations, title 4, section 10315, subdivision (b), unless the Existing HCD Commitment is based on a different definition of this or a similar term, in which case the definition associated with the Existing HCD Commitment shall apply.

“Project” or “Rental Housing Development” means the following: (i) a “qualified low-income housing project,” as defined in Section 42(g) of the Internal Revenue Code (26 U.S.C § 42(g)); or (ii) a Qualifying Infill Project, as defined under the Infill Incentive Grant Program of 2007 or the Infill Infrastructure Grant Program of 2019, that meets the requirements of those programs.

“Qualified Rental Housing Development” is defined in accordance with Health and Safety Code section 50672.1, subdivision (e), and means a rental housing development that received an award letter from any multifamily housing program administered by the Department.

“Sponsor” is defined in accordance with Health and Safety Code sections 50675.2 and 50669. The Sponsor may comprise one or more entities, and it shall include the local public agency that agrees to become a co-Sponsor prior to construction loan closing by executing the Standard Agreement as a co-Sponsor. Such entities shall, in their individual and collective capacity as the “Sponsor,” be bound by the California Housing Accelerator Standard Agreement and each and every one of the California Housing Accelerator terms, conditions, and restrictions.

“UMR” means the Uniform Multifamily Regulations (Cal. Code Regs., tit. 25, § 8300 et seq.), effective November 15, 2017, and as subsequently amended.

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF STATE FINANCIAL ASSISTANCE**

2020 W. El Camino Avenue, Suite 670, 95833  
P.O. Box 952054  
Sacramento, CA 94252-2054  
(916) 263-2771  
[accelerator.hcd.ca.gov](http://accelerator.hcd.ca.gov)



February 16, 2022

Marie Debor, Vice President of  
Development  
BRIDGE Housing Corporation  
600 California Street, Suite 900  
San Francisco, CA 94103

Mara Blitzer, Director of Housing  
Development  
City and County of San Francisco  
1 South Van Ness, 5th Floor  
San Francisco, CA 94103

Dear Marie Debor and Mara Blitzer:

**RE: Award Announcement – California Housing Accelerator  
Project Solicitation, Tier 1  
BRIDGE Housing Corporation and City and County of San Francisco –  
Potrero Block B  
Contract No. 21-ACC-17059**

The California Department of Housing and Community Development (Department) is pleased to announce that BRIDGE Housing Corporation and the City and County of San Francisco (Awardees) have been awarded California Housing Accelerator (Accelerator) Tier 1 funds in an amount up to \$94,836,486. These funds are made available through the Coronavirus State Fiscal Recovery Fund (CSFRF), established by the federal American Rescue Plan Act of 2021 (ARPA) (Public Law 117-2).

As stated in the October 5, 2021 Project Solicitation and Guidelines, construction of the project, meaning the first land-disturbing activity associated with a project, including land preparation such as clearing, grading, and filling, or the first alteration of any wall, ceiling, floor, or other structural part of a building, whether or not that alteration affects the external dimensions of the building, must commence within 180 days of the date of this letter, which constitutes notice of the designation of Accelerator funds for the Awardee. If the project is unable to commence construction by this date, funds may be disencumbered and the sponsor will forfeit its application fee. Additionally, the project must complete permanent loan conversion no later than November 30, 2026.

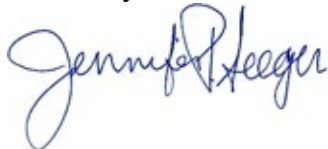
The Department intends to issue a Standard Agreement within 90 days of receipt of any outstanding documentation required to execute this contract. A program representative will be in communication with you within a week to confirm any additional documents needed to prepare the Standard Agreement.

BRIDGE Housing Corporation and City and County of San Francisco – *Potrero Block B*  
Contract No. 21-ACC-17059  
February 16, 2022  
Page 2

If a Standard Agreement is needed prior to 90 days to facilitate a planned construction closing date, please notify program staff immediately. Please note that the Department reserves the right to reduce the loan amount prior to issuance of the Standard Agreement, should the Department determine there is a supplantation of previously approved public funds or the Project is over-subsidized.

Congratulations on your successful application. We are excited to work with you on this new and innovative funding program. For further information, please contact Jim Claybaugh, Program Manager, Loan Closing Branch, at (916) 793-6109 or [jim.claybaugh@hcd.ca.gov](mailto:jim.claybaugh@hcd.ca.gov).

Sincerely,

A handwritten signature in blue ink that reads "Jennifer Seeger". The signature is written in a cursive, flowing style.

Jennifer Seeger  
Deputy Director  
Division of State Financial Assistance



## 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](mailto:ethics.commission@sfgov.org) . [www.sfethics.org](http://www.sfethics.org)

Received On:

File #: 220768

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

<b>TYPE OF FILING</b>	<b>DATE OF ORIGINAL FILING (for amendment only)</b>
Original	
<b>AMENDMENT DESCRIPTION – Explain reason for amendment</b>	

#### 2. CITY ELECTIVE OFFICE OR BOARD

<b>OFFICE OR BOARD</b>	<b>NAME OF CITY ELECTIVE OFFICER</b>
Board of Supervisors	Members

#### 3. FILER'S CONTACT

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

#### 4. CONTRACTING DEPARTMENT CONTACT

<b>NAME OF DEPARTMENTAL CONTACT</b>	<b>DEPARTMENT CONTACT TELEPHONE NUMBER</b>
Robert Baca	415-322-0475
<b>FULL DEPARTMENT NAME</b>	<b>DEPARTMENT CONTACT EMAIL</b>
MYR MOHCD	robert.baca@sfgov.org

5. CONTRACTOR	
<b>NAME OF CONTRACTOR</b> Potrero Housing Associates II, L.P.	<b>TELEPHONE NUMBER</b> 415-989-1111
<b>STREET ADDRESS (including City, State and Zip Code)</b> 600 California Street, #900, SF CA 94108	<b>EMAIL</b> mdebor@bridgehousing.com

6. CONTRACT		
<b>DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)</b>	<b>ORIGINAL BID/RFP NUMBER</b>	<b>FILE NUMBER (If applicable)</b> 220768
<b>DESCRIPTION OF AMOUNT OF CONTRACT</b> \$94,836,486		
<b>NATURE OF THE CONTRACT (Please describe)</b> Resolution for the CA HCD Housing Accelerator Program for a loan of \$94,836,486 for construction of Potrero HOPE SF Block B, a 157-unit affordable housing development.		

7. COMMENTS
Bridge Housing Corporation is the parent company of Potrero Housing II, LLC, whose sole member is the borrower/contractor Potrero Housing Associates II, L.P.

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	Lombard	Ken	CEO
2	Sherman	Delphine	CFO
3	Novack	Kenneth	Board of Directors
4	Moore	Connie	Board of Directors
5	Carlisle	Ray	Board of Directors
6	Carter	Daryl	Board of Directors
7	Freed	Robert	Board of Directors
8	Hagan	Joe	Board of Directors
9	Hemmenway	Nancy	Board of Directors
10	McAfee	Michael	Board of Directors
11	McNamara	Ed	Board of Directors
12	Nahas	Ron	Board of Directors
13	Quinn	Adrienne	Board of Directors
14	Turner	Molly	Board of Directors
15	Stien	Paul	Board of Directors
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**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
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**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
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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.**

<p><b>SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK</b></p>  <p>BOS Clerk of the Board</p>	<p><b>DATE SIGNED</b></p>
---	---------------------------



**From:** [Conine-Nakano, Susanna \(MYR\)](#)  
**To:** [BOS Legislation, \(BOS\)](#)  
**Cc:** [Paulino, Tom \(MYR\)](#); [Nikolopoulos, Sheila \(MYR\)](#); [Geithman, Kyra \(MYR\)](#); [Gluckstein, Lisa \(MYR\)](#); [Gee, Natalie \(BOS\)](#)  
**Subject:** Mayor -- Resolution -- Potrero Block B HCD Accelerator  
**Date:** Tuesday, June 28, 2022 4:43:56 PM  
**Attachments:** [Mayor -- Resolution -- Potrero Block B HCD Accelerator.zip](#)

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Hello Clerks,

Attached for introduction to the Board of Supervisors is a Resolution authorizing the Mayor's Office of Housing and Community Development on behalf of the City and County of San Francisco to execute a Standard Agreement and other related documents with the State of California Department of Housing and Community Development ("HCD") under the California Housing Accelerator Program which Standard Agreement includes an award of \$94,836,486 as a loan to Potrero Housing Associates II, L.P. ("Developer"), as sole borrower, for construction of a development affordable to low- and moderate-income families at Potrero Block B, located at 1801 25th Street for a term of five years to commence upon execution of the Standard Agreement by HCD.

Please note that Supervisor Walton is a co-sponsor of this legislation.

Please let me know if you have any questions.

Best,  
Susanna

Susanna Conine-Nakano  
Office of Mayor London N. Breed  
City & County of San Francisco  
1 Dr. Carlton B. Goodlett Place, Room 200  
San Francisco, CA 94102  
415-554-6147