

1 [Apply for Grant - Mercy Housing California - Assumption of Liability - Department of Housing
2 and Community Development Affordable Housing and Sustainable Communities Program -
3 Transbay 2 East Family]

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4 **Resolution authorizing the Mayor’s Office of Housing and Community Development on**
5 **behalf of the City and County of San Francisco to execute a grant application, as**
6 **defined herein, under the Department of Housing and Community Development**
7 **Affordable Housing and Sustainable Communities (“AHSC”) Program as a joint**
8 **applicant with Mercy Housing California, for the 100% affordable housing project**
9 **identified as Transbay 2 East Family; authorizing the City to assume any joint and**
10 **several liability for completion of the projects required by the terms of any grant**
11 **awarded under the AHSC Program; and adopting findings under the California**
12 **Environmental Quality Act ("CEQA"), the CEQA Guidelines, and Administrative Code,**
13 **Chapter 31.**

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15 WHEREAS, The State of California, the Strategic Growth Council (“SGC”) and the
16 Department of Housing and Community Development (“Department”) has issued a Notice of
17 Funding Availability (“NOFA”) dated January 30, 2023, under the Affordable Housing and
18 Sustainable Communities (“AHSC”) Program established under Division 44, Part 1 of the
19 Public Resources Code commencing with Section 75200; and

20 WHEREAS, The SGC is authorized to approve funding allocations for the AHSC
21 Program, subject to the terms and conditions of the NOFA, AHSC Program Guidelines
22 adopted by SGC on December 15, 2022 (“Program Guidelines”), an application package
23 released by the Department for the AHSC Program (“Application Package”), and an AHSC
24 standard agreement with the State of California (“Standard Agreement”), the Department is

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1 authorized to administer the approved funding allocations of the AHSC Program; and

2 WHEREAS, The AHSC Program provides grants and loans to applicants identified
3 through a competitive process for the development of projects that, per the Program
4 Guidelines, will create new affordable housing and achieve greenhouse gas reductions and
5 benefit disadvantaged communities through increased accessibility to affordable housing,
6 employment centers and key destinations via low-carbon transportation; and

7 WHEREAS, The AHSC Program requires that joint applicants for a project will be held
8 jointly and severally liable for completion of such project; and

9 WHEREAS, Mercy Housing California (“Developer”), has requested the City and
10 County of San Francisco (the “City”), acting by and through the Mayor’s Office of Housing and
11 Community Development (“MOHCD”), to be a joint applicant for AHSC Program funding that
12 would be used, in a part, for a seventeen story, 184 unit, 100% affordable housing project,
13 including 40 units reserved for homeless or formally homeless families (the “Project”)
14 identified as Transbay 2 East Family (“Transbay 2 East Family”); and

15 WHEREAS, The Project is located on Block 2 of Zone One of the Transbay
16 Redevelopment Project Area and subject to the land use controls set forth in the
17 Redevelopment Plan for the Transbay Redevelopment Project Area (approved by Ordinance
18 No. 124-05 (June 21, 2005) and by Ordinance No. 99-06 (May 9, 2006), and amended by
19 Ordinance No. 84-15 (June 18, 2015), Ordinance No. 62-16 (April 28, 2016), and Ordinance
20 No. 009-23 (January 24, 2023) (“Redevelopment Plan”) and Development Controls and
21 Design Guidelines for the Transbay Redevelopment Project Area, as administered and
22 enforced by the Successor Agency to the Redevelopment Agency of the City and County of
23 San Francisco (“Successor Agency”); and

24 WHEREAS, On June 15, 2004, the Board of Supervisors affirmed, by Motion No. 04-
25 67, the certification under the California Environmental Quality Act (California Public

1 Resources Code Sections 21000 et seq., and the CEQA Guidelines (14 California Code of
2 Regulations Sections 15000 et. Seq. (“CEQA Guidelines”, and collectively “CEQA”)) of the
3 Final Environmental Impact Statement/Environmental Impact Report (“Final Environmental
4 Document”) for the Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project
5 (“EIS/EIR Project”), which included the Redevelopment Plan. Subsequently, the Board of
6 Supervisors adopted, by Resolution No. 612-04 (October 7, 2004), findings that various
7 actions related to the EIS/EIR Project complied with CEQA and the Redevelopment Agency of
8 the City and County of San Francisco Commission adopted, by Resolution No. 11-2005
9 (January 25, 2005), findings and a statement of overriding considerations and a mitigation
10 monitoring and reporting program, adopted in accordance with CEQA. Subsequent to the
11 adoption of the Final Environmental Document and the findings, the former Redevelopment
12 Agency of the City and County of San Francisco or the Successor Agency have approved and
13 incorporated ten addenda into the analysis of the Final Environmental Document (as
14 incorporated, the “FEIS/EIR”) and made requisite findings under CEQA; and

15 WHEREAS, The Department of Public Works (“DPW”) plans to perform bicycle and
16 pedestrian improvements in the vicinity of the Project (the “DPW Work”); and

17 WHEREAS, The Municipal Transportation Authority (“MTA”) plans to perform
18 improvements to improve bus transit service in the vicinity of the Project (“MTA Work”); and

19 WHEREAS, In order to be highly competitive for the AHSC funds, the Developer and
20 MOHCD will also apply for AHSC program grant funds to purchase two Bay Area Rapid
21 Transit (“BART”) cars and fund improvements to the Embarcadero BART station (“the BART
22 Work”) to further reduce greenhouse gas emissions; and

23 WHEREAS, BART and the Developer will enter into a memorandum of understanding
24 regarding the purchase of the BART cars and BART Work; and

25 WHEREAS, The City, acting by and through MOHCD, desires to apply for AHSC

1 Program funds and submit an Application Package as a joint applicant with the Developer;
2 and

3 WHEREAS, MOHCD will enter into Memorandums of Understanding with DPW and
4 MTA to make commitments related to completion of the DPW Work and MTA Work as
5 included in the Application Package; and

6 WHEREAS, The City, acting by and through MOHCD, desires to apply for AHSC
7 Program funds and submit an Application Package as a joint applicant with the Developer;
8 now, therefore, be it

9 RESOLVED, That the Board of Supervisors delegates to MOHCD, on behalf of the
10 City, the authority to execute an application to the AHSC Program as detailed in the NOFA
11 dated January 30, 2023, for Round 7, in a total amount not to exceed \$50,000,000 of which
12 up to \$35,000,000 will be provided as a loan to the Developer for the Project as an Affordable
13 Housing Development (“AHD”) (“AHSC Loan”), and up to \$15,000,000 will be provided as a
14 grant to the City, BART, and the Developer for Sustainable Transportation Infrastructure
15 (“STI”), Transit-Related Amenities (“TRA”) or Program (“PGM”) activities (“AHSC Grant”) as
16 defined the AHSC Program Guidelines and sign AHSC Program documents; and, be it

17 FURTHER RESOLVED, The Board of Supervisors specifically authorizes the City to
18 assume any joint and several liability for completion of the Project required by the terms of
19 any grant awarded to the City and any loan awarded to the Developer under the AHSC
20 Program; and, be it

21 FURTHER RESOLVED, That the Board of Supervisors acknowledges that if the
22 Application is successful, the City, acting through MOHCD, shall seek Board of Supervisors
23 approval of the Standard Agreement, with terms and conditions that AHSC Program funds are
24 to be used for allowable capital asset project expenditures to be identified in Exhibit A of the
25 Standard Agreement, that the Application Package in full is incorporated as part of the

1 Standard Agreement, and that any and all activities funded, information provided, and
2 timelines represented in the application are enforceable through the Standard Agreement;
3 and, be it

4 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
5 MOHCD (or his designee) to execute and deliver any documents in the name of the City that
6 are necessary, appropriate or advisable to secure the AHSC Program funds from the
7 Department, and all amendments thereto, and complete the transactions contemplated herein
8 and to use the funds for eligible capital asset(s) in the manner presented in the application as
9 approved by the Department and in accordance with the NOFA and Program Guidelines and
10 Application Package; and, be it

11 FURTHER RESOLVED, That all actions authorized and directed by this Resolution and
12 heretofore taken are ratified, approved, and confirmed by this Board of Supervisors.

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RECOMMENDED:

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