

1 [Accept and Expend Grant - California Department of Housing and Community Development -
2 Affordable Housing and Sustainable Communities Program - 2340 San Jose Avenue -
3 \$25,319,112]

4 **Resolution authorizing the Mayor’s Office of Housing and Community Development**
5 **(“MOHCD”) to execute the Standard Agreements with the California Department of**
6 **Housing and Community Development (“HCD”) under the Affordable Housing and**
7 **Sustainable Communities Program for a total award of \$25,319,112 including**
8 **\$15,319,112 disbursed by HCD as a loan to the Balboa Park Housing Partners L.P.**
9 **(“Developer”) for a 100% affordable housing project at 2340 San Jose Avenue and**
10 **\$10,000,000 to be disbursed as a grant to the City and/or Developer for public**
11 **transportation improvements near 2340 San Jose Avenue, for the period starting on the**
12 **execution date of the Standard Agreements to June 30, 2040; and authorizing MOHCD**
13 **to accept and expend the grant of up to \$10,000,000 for transportation, bicycle and**
14 **pedestrian improvements and other transit oriented programming and improvement**
15 **approved by HCD.**
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18 WHEREAS, The State of California, the Strategic Growth Council (“SGC”) and the
19 Department of Housing and Community Development (“Department”) issued a Notice of
20 Funding Availability (“NOFA”) dated November 1, 2019, under the Affordable Housing and
21 Sustainable Communities (“AHSC”) Program established under Division 44, Part 1 of the
22 Public Resources Code commencing with Section 75200; and

23 WHEREAS, The SGC is authorized to approve funding allocations for the AHSC
24 Program, subject to the terms and conditions of the NOFA, AHSC Program Guidelines
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1 adopted by SGC on October 31, 2019 (“Program Guidelines”), an application package
2 released by the Department for the AHSC Program (“Application Package”), and an AHSC
3 standard agreement with the State of California (“Standard Agreement”), the Department is
4 authorized to administer the approved funding allocations of the AHSC Program; and

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

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

12 WHEREAS, Balboa Park Housing Partners L.P., a California limited partnership
13 (“Developer”), requested that the City and County of San Francisco (the “City”), acting by and
14 through Mayor’s Office of Housing and Community Development (MOHCD), be a joint
15 applicant for AHSC Program funds for its project located at 2340 San Jose Avenue consisting
16 of new construction of a 131-unit multifamily rental housing development affordable to very-
17 low and low-income households, with 39 units set aside for HOPE SF residents voluntarily
18 relocating, and 10,791 sq. ft of commercial space, with an early childhood education center,
19 community space and resource center, community bike space, and two additional spaces for
20 other public benefit purposes or community-serving purposes (the “Balboa Park Upper Yard
21 Project”); and

22 WHEREAS, The San Francisco Municipal Transportation Agency (“SFMTA”) plans to
23 perform transportation, bicycle and pedestrian improvements in the vicinity of the Balboa Park
24 Upper Yard Project (the “SFMTA Work”); and

1 WHEREAS, Along with the construction of the Balboa Upper Yard Project, Developer
2 and Bay Area Rapid Transit (“BART”) have agreed to revitalize the Balboa Park BART Station
3 (“BART Work”) adjacent to the Balboa Upper Yard Project, and Developer (or its affiliate) will
4 use a portion of any AHSC grant funds awarded for the BART Work; and

5 WHEREAS, On October 11, 2018, by Notice of Final Approval of an SB 35 Project, the
6 Planning Department by case No. 2017-012151PRJ, determined that the Balboa Upper Yard
7 Project met all the standards of the Planning Code and would be eligible for ministerial
8 approval under California Government Code, Section 65913.4 (Senate Bills 35 and 765),
9 California Public Resources Code, Section 21080, and the CEQA Guidelines, Sections
10 15002(i)(1), 15268 and 15369, and would therefore not be subject to the California
11 Environmental Quality Act (CEQA); and

12 WHEREAS, The Board of Supervisors authorized MOHCD to apply for AHSC Program
13 funds and submit an Application Package as a joint applicant with the Developer through
14 Resolution No. 24-20; and

15 WHEREAS, SFMTA and MOHCD entered into a Memorandum of Understanding to
16 make commitments on behalf of the City for the Application Package; and

17 WHEREAS, The City, BART, and the Developer entered into a Memorandum of
18 Understanding to make commitments regarding the BART Work by Developer (or its affiliate),
19 and purchase of the BART car, and will enter into additional agreements related to completion
20 of the BART Work; and

21 WHEREAS, Through an award letter dated July 20, 2020, the Department made an
22 award in the total amount of \$25,319,112, which includes \$15,319,112 to be disbursed by
23 HCD as a loan to the Developer for the Balboa Park Upper Yard Project, and up to
24 \$10,000,000 to be disbursed as a grant to the City for the SFMTA Work and to the City or the
25 Developer for the BART Work and other transit-oriented programming and improvements

1 approved by HCD, subject to the terms and conditions of the STD 213, Standard Agreement
2 (“Standard Agreement”), a copy of which is on file with the Clerk of the Board of Supervisors
3 in File No. 210570; and

4 WHEREAS, The grant terms prohibit including indirect costs in the grant budget; and

5 WHEREAS, Subject to approval by the Board of Supervisors concurrently with this
6 Resolution, MOHCD will enter into a long-term ground lease with the Developer for the
7 property located at 2340 San Jose and a loan of up to \$24,459,458 for the Balboa Park Upper
8 Yard Project on file with the Clerk of the Board of Supervisors in File No. 210570; now,
9 therefore, be it

10 RESOLVED, That the Board of Supervisors approves and authorizes the MOHCD to
11 enter into the Standard Agreements with the Department, with terms and conditions that
12 AHSC Program funds are to be used for allowable capital asset project expenditures identified
13 in Exhibit A; and, be it

14 FURTHER RESOLVED, That the Board Supervisors authorizes the City to accept and
15 expend the grant funds disbursed under the Standard Agreement; and, be it

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

18 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
19 MOHCD (or his designee) to execute and deliver any documents in the name of the MOHCD
20 that are necessary, appropriate or advisable to accept and expend the AHSC Program funds
21 from the Department, and all amendments thereto, and complete the transactions
22 contemplated herein and to use the funds for eligible capital asset(s) in the manner presented
23 in the application as approved by the Department and in accordance with the NOFA and
24 Program Guidelines and Application Package; and, be it

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

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

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1 Recommended:

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

5 Approved:
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7 /s/
London N. Breed, Mayor

/s/
Ben Rosenfield, Controller

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