[Apply for Grant - MidPen Housing Corporation - Assumption of Liability - Department of Housing and Community Development Affordable Housing and Sustainable Communities Program - 850 Turk Street]

Resolution authorizing the Mayor's Office of Housing and Community Development on behalf of the City and County of San Francisco to execute a grant application, as defined herein, under the Department of Housing and Community Development Affordable Housing and Sustainable Communities ("AHSC") Program as a joint applicant with MidPen Housing Corporation, a California public benefit corporation, for the 100% affordable housing project identified as 850 Turk Street; authorizing the City to assume any joint and several liability for completion of the projects required by the terms of any grant awarded under the AHSC Program; and adopting findings under the California Environmental Quality Act ("CEQA"), the CEQA Guidelines, and Administrative Code, Chapter 31.

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

WHEREAS, The SGC is authorized to approve funding allocations for the AHSC Program, subject to the terms and conditions of the NOFA, AHSC Program Guidelines adopted by SGC on December 15, 2022 ("Program Guidelines"), an application package released by the Department for the AHSC Program ("Application Package"), and an AHSC standard agreement with the State of California ("Standard Agreement"), the Department is authorized to administer the approved funding allocations of the AHSC Program; and
WHEREAS, The AHSC Program provides grants and loans to applicants identified
through a competitive process for the development of projects that, per the Program
Guidelines, will create new affordable housing and achieve greenhouse gas reductions and
benefit disadvantaged communities through increased accessibility to affordable housing,
employment centers and key destinations via low-carbon transportation; and
WHEREAS, The AHSC Program requires that joint applicants for a project will be held
jointly and severally liable for completion of such project; and
WHEREAS, MidPen Housing Corporation ("Developer"), have requested the City and
County of San Francisco (the "City"), acting by and through the Mayor's Office of Housing and
Community Development ("MOHCD"), to be a joint applicant for an eight-story, 92-unit, 100%
affordable housing project on real property owned by the State of California located at 850
Turk Street (the "Project"); and
WHEREAS, On April 8, 2022, the California Department of General Services (DGS)
determined that the project qualifies for Class 32 exemption under CEQA Guidelines Section
15332; In-Fill Development because the project is consistent with applicable objective general
plan standards and criteria for multi-family residential development. It is an allowable land use
in the City and County of San Francisco's land use and zoning designations and the project
meets all criteria for Class 32; less than 5 acres, within City and County of San Francisco
limits, surrounded by urban uses, not in an area with value as habitat for endangered, rare or
threatened species, is adequately served by all required utilities and public services); and
WHEREAS, The Department of Public Works ("DPW") plans to perform bicycle, transit
and pedestrian improvements in the vicinity of the Project (the "DPW Work"); and
WHEREAS, The City, acting by and through MOHCD, desires to apply for AHSC
Program funds and submit an Application Package as a joint applicant with the Developer; and

Mayor Breed; Supervisors Stefani; Mandelman, Safai, Preston
BOARD OF SUPERVISORS
WHEREAS, DPW and MOHCD will enter into a Memorandum of Understanding to
make commitments related to completion of the DPW Work as included in the Application
Package; and

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

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

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

FURTHER RESOLVED, That the Board of Supervisors acknowledges that if the
Application is successful, the City, through MOHCD, shall seek Board of Supervisors approval
of the Standard Agreement, with terms and conditions that AHSC Program funds are to be
used for allowable capital asset project expenditures to be identified in Exhibit A of the
Standard Agreement, that the Application Package in full is incorporated as part of the
Standard Agreement, and that any and all activities funded, information provided, and
timelines represented in the application are enforceable through the Standard Agreement;
and, be it

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

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

Eric D. Shaw, Director,
Mayor's Office of Housing and Community Development
Resolution authorizing the Mayor's Office of Housing and Community Development on behalf of the City and County of San Francisco to execute a grant application, as defined herein, under the Department of Housing and Community Development Affordable Housing and Sustainable Communities ("AHSC") Program as a joint applicant with MidPen Housing Corporation, a California public benefit corporation, for the 100% affordable housing project identified as 850 Turk Street; authorizing the City to assume any joint and several liability for completion of the projects required by the terms of any grant awarded under the AHSC Program; and adopting findings under the California Environmental Quality Act ("CEQA"), the CEQA Guidelines, and Administrative Code, Chapter 31.

March 22, 2023 Budget and Finance Committee - RECOMMENDED

April 04, 2023 Board of Supervisors - ADOPTED
   Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen,
   Safai, Stefani and Walton

I hereby certify that the foregoing Resolution was ADOPTED on 4/4/2023 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

London Breed
Mayor

Date Approved