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 Program ("AHSC") as a joint applicant with Mercy Housing California, a California nonprofit public benefit corporation, and The Kelsey, a California nonprofit public benefit corporation, for the 100% affordable housing project identified as The Kelsey Civic Center; 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 February 26, 2021, 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 February 24, 2021 ("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
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, Mercy Housing California and The Kelsey (“Co-Developers”), 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, 112 unit, 100% affordable housing project, including 28 units reserved for people with disabilities who are eligible to receive home and community-based services (the “Project”) identified as The Kelsey Civic Center (“The Kelsey Civic Center”); and

WHEREAS, On January 22, 2021, by Notice of Project Eligible for SB 35 Approval, the Planning Department has determined that the development of the proposed project with a ground floor community facility, met all the standards of the Planning Code and would be eligible for ministerial approval under California Government Code, Section 65913.4 (Senate Bills 35 and 765), California Public Resources Code, Section 21080, in conjunction with the State Density Bonus Law (California Government Code, Section 65913.4) and the CEQA Guidelines, Sections 15002(i)(1), 15268 and 15369, and would therefore not be subject to the California Environmental Quality Act (CEQA); and

WHEREAS, The Municipal Transportation Agency (“SFMTA”) plans to perform transit improvements in the vicinity of the Project (the “SFMTA 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

WHEREAS, SFMTA, MOHCD and Developer will enter into a Memorandum of Understanding to make commitments related to completion of the SFMTA Work on the Project 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 February 26, 2020, for Round 6, in a total amount not to exceed $30,000,000 of which $20,000,000 will be provided as up loan for an Affordable Housing Development ("AHD") ("AHSC Loan") and up to $10,000,000 will be provided as a grant 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 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:

/s/ __________________________________________

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 Mercy Housing California, a California nonprofit public benefit corporation, and The Kelsey, a California nonprofit public benefit corporation, for the 100% affordable housing project identified as The Kelsey Civic Center; 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.

May 20, 2021 Government Audit and Oversight Committee - RECOMMENDED AS COMMITTEE REPORT

May 25, 2021 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Haney, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

I hereby certify that the foregoing Resolution was ADOPTED on 5/25/2021 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

London Breed
Mayor

Date Approved: 6/4/21