

**Mayor's Office of Housing and Community Development**  
City and County of San Francisco



**London N. Breed**  
Mayor

**Eric D. Shaw**  
Director

July 6, 2022

**TO:** Director Eric Shaw  
**FROM:** William Wilcox, Bond Program Manager  
**SUBJECT:** PASS Regulations Waiver for the San Cristina

Dear Director Shaw,

I am writing to request your permission for a waiver of the PASS program regulations for the San Cristina (1000 Market Street) an affordable housing rehabilitation project that was approved for PASS funds at the 6/24/2022 loan committee. Section 3 of the PASS regulations requires that the MOHCD Declaration of Restrictions be recorded in first position, senior to all deeds of trust. However, the California Department of Housing and Community Development (HCD) is providing three times as much funding (\$35,485,692) for this project compared to MOHCD's combined commitment (\$10,788,036) of PASS and recast of existing debt.

Per the HCD Universal Multifamily Regulations (UMRs), they will not subordinate to a local government lender if the local government lender has provided less funding than HCD. In order to comply with the HCD funding requirements and complete this necessary rehabilitation of the San Cristina, we ask that you grant a waiver to the PASS program regulations' lien priority requirement. The PASS program regulations require approval from the MOHCD Director and that the MOHCD Director consult with loan committee – though no vote from loan committee is required.

Because this arrangement only puts another public agency (HCD) senior to MOHCD, we expect this to have no impact on the long-term affordability of the project. We continue to work with HCD to update their UMRs to better pair with the business terms of innovative local funding programs like PASS.

Please let me know if I can provide any additional information and thank you for your support on this important project.

*William Wilcox*

William Wilcox

Bond Program Manager

Attached: PASS Program Regulations