

1 [Loan Amendment - 2530 18th, LLC - 100% Affordable Housing - 2530-18th Street - Not to  
2 Exceed Aggregate Amount of \$11,846,900]

3 **Resolution approving and authorizing the Mayor and the Director of the Mayor's Office**  
4 **of Housing and Community Development to execute a First Amendment to the Loan**  
5 **Agreement with 2530 18th, LLC, a California limited liability company, relating to a loan**  
6 **for the acquisition of real property located at 2530-18th Street intended for the**  
7 **development of a 100% affordable multifamily rental building for families (the**  
8 **"Project"), for a new total loan amount not to exceed \$6,900,000 and an aggregate**  
9 **funding amount not to exceed \$11,846,900 for the Project; approving the form of the**  
10 **loan agreement and ancillary documents; ratifying and approving any action heretofore**  
11 **taken in connection with the Project, as defined herein; granting general authority to**  
12 **City officials to take actions necessary to implement this Resolution, as defined herein;**  
13 **and finding that the loan is consistent with the General Plan, and the eight priority**  
14 **policies of Planning Code, Section 101.1.**

15  
16 WHEREAS, The City and County of San Francisco, acting through the Mayor's Office  
17 of Housing and Community Development ("MOHCD"), administers a variety of housing  
18 programs financing the development of new affordable housing and rehabilitation of single-  
19 and multifamily housing for low- and moderate-income households and resources for  
20 homeowners in San Francisco; and

21 WHEREAS, MOHCD enters into loan agreements with affordable housing developers  
22 for the purpose of acquiring and developing 100% affordable housing within the City, including  
23 permanent supportive housing for families experiencing homelessness; and

24 WHEREAS, MOHCD and the Department of Homelessness and Supportive Housing  
25 ("HSH") published a Notice of Funding Availability for acquisition and development financing

1 for Affordable Rental Housing for Families, Including Families Experiencing Homelessness,  
2 on April 25, 2022 (“NOFA”); and

3 WHEREAS, Mercy Housing California, a California nonprofit public benefit corporation  
4 (“MHC”), and Homeless Prenatal Program, a California nonprofit public benefit corporation  
5 (“HPP”), were selected as joint developers for a predevelopment loan and an acquisition loan,  
6 respectively, under the NOFA; and

7 WHEREAS, HPP established 2530 18th, LLC, a California limited liability company  
8 (“Acquisition Borrower”) as an affiliate to acquire real property located at 2530-18th Street,  
9 San Francisco (the “Property”), and MHC established Mercy Housing California 104, L.P., a  
10 California limited partnership (the “Predevelopment Borrower”) as an affiliate to conduct  
11 predevelopment activities in furtherance of the development and construction of a 100%  
12 affordable, multifamily rental housing project for extremely-low, very-low, low-, and moderate-  
13 income households with 1-bedroom, 2-bedroom and 3-bedroom units, and ancillary space for  
14 residential property staff offices and social services support, on the Property (the “Project”);  
15 and

16 WHEREAS, On August 18, 2023, the Citywide Affordable Housing Loan Committee,  
17 consisting of MOHCD, HSH, Office of Community Investment and Infrastructure, and the  
18 Controller’s Office of Public Finance, recommended approval to the Mayor of an acquisition  
19 loan to Acquisition Borrower in the amount of \$4,900,000 and a predevelopment loan to the  
20 Predevelopment Borrower in the amount of \$4,946,900 for an aggregate funding amount of  
21 \$9,846,900 to finance the Project; and

22 WHEREAS, MOHCD provided a loan in the amount of \$4,900,000 (the “Loan”) to the  
23 Acquisition Borrower under that certain Loan Agreement dated October 3, 2023, to finance  
24 Acquisition Borrower’s purchase of the Property, and Acquisition Borrower executed that  
25 certain Secured Promissory Note dated October 3, 2023, Deed of Trust, Assignment of Rents,

1 Security Agreement and Fixture Filing dated October 18, 2023, and Declaration of  
2 Restrictions and Affordable Housing Covenants dated October 18, 2023, copies of which are  
3 on file with the Clerk of the Board of Supervisors in File No. 241135 (all of the foregoing,  
4 collectively, the "Original Loan Documents"); and

5 WHEREAS, MOHCD provided a loan in the amount of \$4,946,900 to the  
6 Predevelopment Borrower under that certain Loan Agreement dated December 1, 2023, to  
7 finance the predevelopment activities of the Project; and

8 WHEREAS, In conjunction with Acquisition Borrower's purchase of the Property,  
9 Acquisition Borrower obtained a loan in the principal amount of \$2,000,000 from  
10 CommonSpirit Health Operating Investment Pool, LLC ("Bridge Loan"); and

11 WHEREAS, The Acquisition Borrower desires to repay the Bridge Loan in order to  
12 reduce holding costs of the Property while it partners with Predevelopment Borrower to further  
13 design the Project and until the Project can be financed and start construction, and Acquisition  
14 Borrower has requested an increase to the Loan in the amount of \$2,000,000 for such  
15 purpose; and

16 WHEREAS, On November 15, 2024, the Citywide Affordable Housing Loan Committee  
17 recommended approval to the Mayor of an additional loan to Acquisition Borrower in amount  
18 not to exceed \$2,000,000 ("Additional Loan"), for a total loan amount not to exceed  
19 \$6,900,000, and an aggregate funding amount equal to \$11,846,900 to finance the Project;  
20 and

21 WHEREAS, MOHCD desires to provide the Additional Loan to the Acquisition Borrower  
22 pursuant to a First Amendment to Loan Agreement, an Amended and Restated Secured  
23 Promissory Note, and a First Amendment to Deed of Trust (collectively, "Loan Amendment  
24 Documents"), in substantially the forms on file with the Clerk of the Board in File No. 241135,  
25 and in such final form as approved by the Director of MOHCD and the City Attorney; and

1           WHEREAS, The terms and conditions of the Original Loan Documents, as amended by  
2 the Loan Amendment Documents, will continue in full force and effect; and

3           WHEREAS, The Planning Department, through the General Plan Referral letter dated  
4 November 14, 2024, found that the Project would be eligible for ministerial approval under  
5 California Government Code, Section 65913.4 (Senate Bills 35 and 765), California Public  
6 Resources Code, Section 21080, and the CEQA Guidelines, Sections 15002(i)(1), 15268 and  
7 15369, would therefore not be subject to the California Environmental Quality Act (“CEQA”,  
8 Pub. Resources Code, Section 21000 et seq.), and is consistent with the General Plan, and  
9 the eight priority policies of Planning Code, Section 101.1; which letter is on file with the Clerk  
10 of the Board of Supervisors in File No. 241135, and incorporated herein by this reference;  
11 now, therefore, be it

12           RESOLVED, This Board affirms the Planning Department’s determination that the  
13 proposed Project and Loan is not subject to CEQA and is consistent, on balance, with the  
14 General Plan, and with Planning Code, Section 101.1, for the reasons set forth in the Director  
15 of Planning’s letter; and, be it

16           FURTHER RESOLVED, That the Board of Supervisors hereby approves the Original  
17 Loan Documents, as amended by the Loan Amendment Documents, and authorizes the  
18 Mayor and the Director of MOHCD or the Director’s designee to enter into the Loan  
19 Amendment Documents, including, without limitation, modifications of the Original Loan  
20 Document and/or the Loan Amendment Documents, and preparation and attachment of, or  
21 changes to, any of all of the exhibits and ancillary agreements, and any other documents or  
22 instruments necessary in connection therewith, that the Director determines, in consultation  
23 with the City Attorney, are in the best interest of the City, do not materially increase the  
24 obligations or liabilities for the City or materially diminish the benefits of the City, or are  
25

1 necessary or advisable to effectuate the purposes and intent of this Resolution and are in  
2 compliance with all applicable laws, including the City Charter; and, be it

3 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes and  
4 delegates to the Director of MOHCD and/or the Director of Property, and their designees, the  
5 authority to undertake any actions necessary to protect the City's financial security in the  
6 Property and enforce the affordable housing restrictions, which may include, without limitation,  
7 acquisition of the Property upon foreclosure and sale at a trustee sale, acceptance of a deed  
8 in lieu of foreclosure, or curing the default under a senior loan; and, be it

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

12 FURTHER RESOLVED, That within thirty (30) days of the Loan Amendment  
13 Documents being fully executed by all parties, MOHCD shall provide the Loan Amendment  
14 Agreement to the Clerk of the Board for inclusion into the official file.

1 RECOMMENDED:  
2

3 /s/

4 Daniel Adams, Director  
5 Mayor's Office of Housing and Community Development  
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**City and County of San Francisco**  
**Tails**  
**Resolution**

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

**File Number:** 241135

**Date Passed:** January 28, 2025

Resolution approving and authorizing the Mayor and the Director of the Mayor’s Office of Housing and Community Development to execute a First Amendment to the Loan Agreement with 2530 18th, LLC, a California limited liability company, relating to a loan for the acquisition of real property located at 2530-18th Street intended for the development of a 100% affordable multifamily rental building for families (the “Project”), for a new total loan amount not to exceed \$6,900,000 and an aggregate funding amount not to exceed \$11,846,900 for the Project; approving the form of the loan agreement and ancillary documents; ratifying and approving any action heretofore taken in connection with the Project, as defined herein; granting general authority to City officials to take actions necessary to implement this Resolution, as defined herein; and finding that the loan is consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

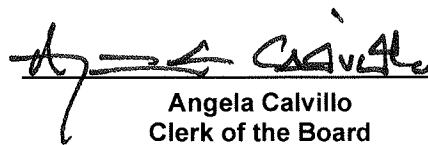
January 22, 2025 Budget and Finance Committee - RECOMMENDED


January 28, 2025 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Chen, Dorsey, Engardio, Fielder, Mahmood, Mandelman, Melgar, Sauter, Sherrill and Walton

File No. 241135

**I hereby certify that the foregoing Resolution was ADOPTED on 1/28/2025 by the Board of Supervisors of the City and County of San Francisco.**

  
Angela Calvillo  
Clerk of the Board

  
Daniel Lurie  
Mayor

1.31.25  
Date Approved