

1 [Loan Agreement - 4840 Mission Housing Associates LP - 4840 Mission Street - Not to
2 Exceed \$18,510,000]

3 **Resolution approving and authorizing the Director of the Mayor’s Office of Housing and**
4 **Community Development to execute documents relating to a loan to provide financing**
5 **for predevelopment activities for the construction of a 100% affordable 137-unit**
6 **multifamily rental housing project known as 4840 Mission, including the payoff of an**
7 **acquisition loan, completion of additional architectural design and design consultant**
8 **work, and other predevelopment activities, in an aggregate amount not to exceed**
9 **\$18,510,000; approving the form of and authorizing the execution of a first amendment**
10 **to the loan agreement, an amended and restated promissory note, and an amendment**
11 **to the deed of trust; ratifying and approving any action heretofore taken in connection**
12 **with the project, as defined herein; granting general authority to City officials to take**
13 **actions necessary to implement this Resolution, as defined herein; and finding that the**
14 **loan is consistent with the General Plan, and the eight priority policies of Planning**
15 **Code, Section 101.1.**

16
17 WHEREAS, The City and County of San Francisco, acting through the Mayor’s Office
18 of Housing and Community Development (“MOHCD”), administers a variety of housing
19 programs that provide financing for the development of new affordable housing and the
20 rehabilitation of single- and multi-family housing for low- and moderate-income households
21 and resources for homeowners in San Francisco; and

22 WHEREAS, MOHCD enters into loan agreements with affordable housing developers
23 for the purpose of developing 100% affordable housing within the City; and

24 WHEREAS, 4840 Mission Housing Associates LP, a California limited partnership (the
25 “Borrower”), an affiliate of nonprofit housing developer BRIDGE Housing Corporation, a

1 California nonprofit public benefit corporation, has acquired the property commonly known as
2 4840 Mission Street (the "Property") in order to develop a 100% affordable rental housing
3 project for extremely-low, very-low, low-, and moderate-income households with 1-, 2-, and 3-
4 bedroom units, and ancillary space for residential property staff offices, a community-serving
5 space, and commercial space, a portion of which is intended to be occupied by Mission
6 Neighborhood Health Center, to be commonly known as "4840 Mission" (the "Project"); and

7 WHEREAS, MOHCD provided Borrower with a predevelopment loan of \$6,000,000 to
8 finance, in part, Borrower's acquisition of the Property and predevelopment due diligence
9 associated with the development of the Project, which loan was evidenced by a loan
10 agreement, secured promissory note, and declaration of restrictions, and secured by a deed
11 of trust; and

12 WHEREAS, Borrower also received a loan from the San Francisco Housing
13 Accelerator Fund ("SFHAF") to fund the acquisition of the Property; and

14 WHEREAS, Borrower has requested the City to provide additional financing to
15 Borrower to pay off their acquisition loan, complete architectural design and design consultant
16 work and other predevelopment activities work for the construction of the Project; and

17 WHEREAS, MOHCD has reviewed the request for funding application and has
18 determined that paying off Borrower's acquisition loan from SFHAF will reduce the cost of the
19 Project, and therefore recommended approval of Borrower's loan request; and

20 WHEREAS, On September 6, 2019, the Citywide Affordable Housing Loan Committee
21 recommended approval to the Mayor of a loan for Project in an amount not to exceed
22 \$18,510,000 (the "Loan"); and

23 WHEREAS, MOHCD desires to provide the Loan to the Borrower pursuant to a Loan
24 Agreement as amended by a First Amendment to Loan Agreement, an Amended and
25 Restated Promissory Note, and an amendment to the Deed of Trust (collectively, "Loan

1 Documents”), in substantially the form on file with the Clerk of the Board in File No. 190934
2 and in such final form as approved by the Director of MOHCD and the City Attorney; and

3 WHEREAS, The material terms of the Loan Documents include: (i) a minimum term of
4 57 years; (ii) an interest rate of up to 3%; (iii) annual repayment of the loan through residual
5 receipts from the completed Project; (iv) the residential part of the Property will be restricted
6 for no less than 57 years as 100% affordable housing to low- and moderate-income
7 households with annual maximum rent and income established by MOHCD; (v) the loan will
8 be secured by a deed of trust recorded against the Property; and

9 WHEREAS, The Planning Department has determined the Project is eligible for
10 affordable housing streamlined approval under California Senate Bill 35 (SB-35) (California
11 Government Code Section 65913.4), and therefore does not require CEQA analysis, as
12 provided in the Planning Department’s Notice of Final Approval of an SB 35 Project dated July
13 2, 2019 (BPA No. 2019.0319.5605); and

14 WHEREAS, By letter dated June 14, 2019, the Planning Department found the Project
15 to be consistent with the General Plan, and with the Eight Priority Policies under Planning
16 Code, Section 101.1; now, therefore, be it

17 RESOLVED, This Board affirms the Planning Department’s determination that the
18 proposed Project loan is consistent, on balance, with the General Plan, and with Planning
19 Code Section, 101.1 for the reasons set forth in the Director of Planning’s letter; and, be it

20 FURTHER RESOLVED, That the Board of Supervisors hereby approves the Loan
21 Documents, and authorizes the Director of MOHCD or the Director’s designee to enter into
22 the Loan Documents for of the Project, including, without limitation, modifications of the Loan
23 Documents, and preparation and attachment of, or changes to, any of all of the exhibits and
24 ancillary agreements, and any other documents or instruments necessary in connection
25

1 therewith, that the Director determines, in consultation with the City Attorney, are in the best
2 interest of the City, do not materially increase the obligations or liabilities for the City or
3 materially diminish the benefits of the City, or are necessary or advisable to effectuate the
4 purposes and intent of this Resolution and are in compliance with all applicable laws,
5 including the City Charter; and, be it

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

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

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

18
19 RECOMMENDED:

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22 Daniel Adams, Acting Director
23 Mayor's Office of Housing and Community Development
24
25



City and County of San Francisco

Tails Resolution

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

File Number: 190934

Date Passed: October 01, 2019

Resolution approving and authorizing the Director of the Mayor's Office of Housing and Community Development to execute documents relating to a loan to provide financing for predevelopment activities for the construction of a 100% affordable 137-unit multifamily rental housing project known as 4840 Mission, including the payoff of an acquisition loan, completion of additional architectural design and design consultant work, and other predevelopment activities, in an aggregate amount not to exceed \$18,510,000; approving the form of and authorizing the execution of a first amendment to the loan agreement, an amended and restated promissory note, and an amendment to the deed of trust; 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.

September 25, 2019 Budget and Finance Committee - AMENDED

September 25, 2019 Budget and Finance Committee - RECOMMENDED AS AMENDED

October 01, 2019 Board of Supervisors - ADOPTED

Ayes: 11 - Brown, Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani, Walton and Yee

File No. 190934

I hereby certify that the foregoing Resolution was ADOPTED on 10/1/2019 by the Board of Supervisors of the City and County of San Francisco.

f Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

10/4/19

Date Approved