

1 [Loan Agreements - MP Golden Gate Avenue Associates, LP - Golden Gate Avenue Phase I
2 LIHTC - \$12,500,000; MP GGA Moderate LLC - Golden Gate Avenue Phase I Moderate -
3 \$10,200,000; Mid-Peninsula Hermanas, Inc. - IIG Funds - \$1,250,000; Total NTE
4 \$22,747,350]

5 **Resolution 1) approving and authorizing the Director of the Mayor's Office of**
6 **Housing and Community Development ("MOHCD") to execute an Amended and**
7 **Restated Loan Agreement with MP Golden Gate Avenue Associates, L.P., a**
8 **California limited partnership, ("Low Income Loan Agreement") for a total loan**
9 **amount not to exceed (NTE) \$12,500,000 to finance the construction of a 55-unit**
10 **multifamily rental housing development for low-income households with a**
11 **preference for employees of the San Francisco Unified School District ("SFUSD")**
12 **and San Francisco Community College District ("SFCCD"), which will be known as**
13 **Golden Gate Avenue Phase I LIHTC (the "LIHTC Project"); 2) approving and**
14 **authorizing the Director of MOHCD to execute a Loan Agreement with MP GGA**
15 **Moderate LLC, a California limited liability company, ("Moderate Income Loan**
16 **Agreement") for a total loan amount not to exceed \$10,200,000 to finance the**
17 **development and construction of a 20-unit multifamily rental housing development**
18 **for moderate-income households with a preference for employees of SFUSD and**
19 **SFCCD, which will be known as Golden Gate Avenue Phase I Moderate (the**
20 **"Moderate Project"); 3) approving and authorizing the Director of MOHCD to execute**
21 **a Loan Agreement with Mid-Peninsula Hermanas, Inc., a California nonprofit public**
22 **benefit corporation, ("Garage Loan Agreement") for a total loan amount not to**
23 **exceed \$1,250,000 to finance the development of a parking garage ("Garage Project")**
24 **for State of California employees with funds from the State's Infill and Infrastructure**
25 **Grant ("IIG") program; for a cumulative amount, including all Loan Agreement**

1 **amounts, not to exceed \$22,747,350; and 4) adopting findings that the loan**
2 **agreements are consistent with the General Plan, and the eight priority policies of**
3 **Planning Code, Section 101.1; and to authorize the Director of MOHCD to enter into**
4 **amendments or modifications to the Agreements that do not materially increase the**
5 **obligations or liabilities to the City and are necessary to effectuate the purposes of**
6 **the Agreements or this Resolution.**

7
8 WHEREAS, The City, acting through the Mayor's Office of Housing and Community
9 Development (MOHCD), administers a variety of housing programs that provide financing for
10 the development of new affordable housing and the rehabilitation of single- and multi-family
11 housing for low- and moderate-income households and resources for homeowners in San
12 Francisco; and

13 WHEREAS, MOHCD enters into loan agreements with affordable housing developers
14 and operators; administers loan agreements; reviews annual audits and monitoring reports;
15 monitors compliance with affordable housing requirements in accordance with capital funding
16 regulator agreements; and if necessary, takes appropriate action to enforce compliance; and

17 WHEREAS, On February 24, 2023, MOHCD issued a Notice of Funding Availability for
18 new affordable educator housing ("Educator NOFA") for the acquisition, predevelopment and
19 construction financing of new affordable educator housing; and

20 WHEREAS, MidPen Housing Corporation, a California nonprofit public benefit
21 corporation, ("MidPen") responded to the Educator NOFA and was selected as developer to
22 undertake the development and construction of the LIHTC Project, Moderate Project and
23 Garage Project which includes construction of 55 new affordable rental units (including one
24 manager's unit) for low-income households with a preference for San Francisco Unified
25 School District (SFUSD) and San Francisco Community College District (SFCCD) employees,

1 20 units of moderate-income affordable rental units for moderate-income households with a
2 preference for SFUSD and SFCCD employees, and a replacement parking garage for
3 California Employment Development Department employees (collectively, the “Project”); and

4 WHEREAS, Through an award letter dated February 9, 2023, the California
5 Department of Housing and Community Development (“HCD”) made an award in the total
6 amount of \$8,091,600 in Infill Infrastructure Grant Funds (“IIG Funds”) to be disbursed by
7 HCD as a grant to the City for infrastructure work as approved by HCD, subject to the terms
8 and conditions of the STD 213, Standard Agreement (“Standard Agreement”), a copy of which
9 is on file with the Clerk of the Board of Supervisors in File No. 240991;

10 WHEREAS, By Resolution 42-24, the Board of Supervisors authorized the Director of
11 MOHCD (or his designee) to execute the Standard Agreement with HCD to accept and
12 expend IIG Funds, which Resolution is on file with the Clerk of the Board of Supervisors in
13 File No. 240020 and is incorporated herein by reference; and

14 WHEREAS, \$1,250,000 of those IIG Funds are dedicated to the construction and
15 development of the Garage Project; and

16 WHEREAS, MidPen established MP Golden Gate Avenue Associates, L.P., a
17 California limited partnership(the “Low Income Project Developer”), as a separate entity under
18 which to develop and construct the LIHTC Project, MP GGA Moderate LLC, a California
19 limited liability company (the “Moderate Income Project Developer”), as a separate entity
20 under which to develop and construct the Moderate Project and Mid-Peninsula Hermanas,
21 Inc., a California nonprofit public benefit corporation (the “Garage Developer”), as a separate
22 entity under which to develop and construct the Garage Project; and

23 WHEREAS, MOHCD provided the Low Income Project Developer with a loan to
24 commence predevelopment activities for the Project; and

1 WHEREAS, On September 20, 2024, the Citywide Affordable Housing Loan
2 Committee, consisting of MOHCD, Department of Homelessness and Supportive Housing, the
3 Office of Community Investment and Infrastructure, and Controller's Office of Public Finance,
4 recommended approval to the Mayor of a loan to the Low Income Project Developer,
5 Moderate Income Project Developer and Garage Developer for the Project in a total amount
6 not to exceed \$22,747,350; and

7 WHEREAS, To leverage funding sources in order for the Low Income Project
8 Developer to construct the LIHTC Project, MOHCD desires to provide a loan in the amount
9 not to exceed \$12,500,000 to the Low Income Project Developer pursuant to an Amended
10 and Restated Loan Agreement ("Low Income Loan Agreement") in substantially the form on
11 file with the Clerk of the Board in File No. 240991, and in such final form as approved by the
12 Director of MOHCD and the City Attorney; and

13 WHEREAS, MOHCD desires to provide a loan in the amount not to exceed
14 \$10,200,000 to the Moderate Income Project Developer pursuant to a Loan Agreement
15 ("Moderate Income Loan Agreement") in substantially the form on file with the Clerk of the
16 Board in File No. 240991, and in such final form as approved by the Director of MOHCD and
17 the City Attorney; and

18 WHEREAS, The material terms of the Low Income Loan Agreement and Moderate
19 Income Loan Agreement also include: (i) a minimum term of 57 years; and (ii) will bear
20 interest at 3% per annum; and

21 WHEREAS, MOHCD desires to provide a loan in the amount not to exceed \$1,250,000
22 to the Garage Developer pursuant to a Loan Agreement ("Garage Loan Agreement") using IIG
23 Funds in substantially the form on file with the Clerk of the Board in File No. 240991, and in
24 such final form as approved by the Director of MOHCD and the City Attorney; and
25

1 WHEREAS, The IIG Funds secured through the Garage Loan Agreement will be used
2 to build the replacement parking for State employees as required by the State; and

3 WHEREAS, The material terms of the Garage Loan Agreement also include: (i) that the
4 loan repayment obligation shall be deemed satisfied upon submittal to MOHCD of notification
5 of completion, as issued by the City's Department of Building Inspection, for the Garage
6 Project; and (ii) will bear interest at 0% per annum; and

7 WHEREAS, The Low Income Loan Agreement shall not exceed \$12,500,000 and the
8 Moderate Income Loan Agreement shall not exceed \$10,200,000, but due to changing loan
9 interest rates and tax credit pricing, the amounts for the Low Income Loan Agreement and
10 Moderate Income Loan Agreement shall change before all Loan Agreements are executed,
11 and because of these adjustments the total combined amount for the Low Income Loan
12 Agreement, the Moderate Income Loan Agreement, and the Garage Loan Agreement, shall
13 not exceed the \$22,747,350 cumulative not-to-exceed amount authorized by this Resolution;
14 and

15 WHEREAS, On January 15, 2019, Governor Gavin Newsom signed Executive Order
16 No. N-06-19, which allows the production of Affordable housing on state-owned Excess Sites
17 ("Excess Sites") and authorizes the Department of General Services ("DGS") and the HCD to
18 identify and prioritize Excess Sites for sustainable, cost-effective, and innovative affordable
19 housing projects; and

20 WHEREAS, The State of California through DGS owns that certain property located at
21 750 Golden Gate Avenue in San Francisco (the "Property"), which has been declared an
22 Excess Site for affordable housing; and

23 WHEREAS, On April 8, 2022, by Notice of Exemption, the California Department of
24 General Services by SCH Number 2022040213 determined that the development of the
25 Project met all the standards of the Class 32 "Infill" Categorical Exemption (CEQA Guideline

1 Section 15332) and the California Public Resources Code 21000 et seq., and would therefore
2 not be subject to the California Environmental Quality Act ("CEQA"); a copy of the Notice of
3 Exemption is on file with the Clerk of the Board of Supervisors in File No. 240991, and is
4 incorporated herein by reference; and

5 WHEREAS, By letter dated September 23, 2024, the Planning Department determined
6 that the Project was consistent with the City's General Plan, and eight priority policies of
7 Planning Code, Section 101.1 (the "Planning Department Letter"); a copy of the Planning
8 Department Letter is on file with the Clerk of the Board of Supervisors in File No. 240991, and
9 is incorporated herein by reference; now, therefore, be it

10 RESOLVED, That the Board of Supervisors hereby finds that the Project (and
11 associated actions necessary to effectuate the Project) is consistent with the General Plan,
12 and with the eight priority policies of the Planning Code, Section 101.1, for the same reasons
13 as set forth in the Planning Department Letter, and hereby incorporates such findings by
14 reference as though fully set forth in this Resolution; and, be it

15 FURTHER RESOLVED, That the Board of Supervisors hereby approves the Low
16 Income Loan Agreement, the Moderate Income Loan Agreement and Garage Loan
17 Agreement and authorizes the Director of MOHCD or his or her designee to enter into any
18 amendments or modifications to the Low Income Loan Agreement, the Moderate Income
19 Loan Agreement and Garage Loan Agreement (including, without limitation, preparation and
20 attachment of, or changes to, any or all of the exhibits and ancillary agreements) and any
21 other documents or instruments necessary in connection therewith that the Director
22 determines, in consultation with the City Attorney, are in the best interest of the City, do not
23 materially increase the obligations or liabilities for the City or materially diminish the benefits of
24 the City, are necessary or advisable to effectuate the purposes and intent of this Resolution
25 and are in compliance with all applicable laws, including the City Charter; and, be it

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

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

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

14
15
16 Recommended

17
18 /s/
19 Daniel Adams, Director
20 Mayor's Office of Housing and Community Development
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24
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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: 240991

Date Passed: November 05, 2024

Resolution 1) approving and authorizing the Director of the Mayor's Office of Housing and Community Development ("MOHCD") to execute an Amended and Restated Loan Agreement with MP Golden Gate Avenue Associates, L.P., a California limited partnership, ("Low Income Loan Agreement") for a total loan amount not to exceed (NTE) \$12,500,000 to finance the construction of a 55-unit multifamily rental housing development for low-income households with a preference for employees of the San Francisco Unified School District ("SFUSD") and San Francisco Community College District ("SFCCD"), which will be known as Golden Gate Avenue Phase I LIHTC (the "LIHTC Project"); 2) approving and authorizing the Director of MOHCD to execute a Loan Agreement with MP GGA Moderate LLC, a California limited liability company, ("Moderate Income Loan Agreement") for a total loan amount not to exceed \$10,200,000 to finance the development and construction of a 20-unit multifamily rental housing development for moderate-income households with a preference for employees of SFUSD and SFCCD, which will be known as Golden Gate Avenue Phase I Moderate (the "Moderate Project"); 3) approving and authorizing the Director of MOHCD to execute a Loan Agreement with Mid-Peninsula Hermanas, Inc., a California nonprofit public benefit corporation, ("Garage Loan Agreement") for a total loan amount not to exceed \$1,250,000 to finance the development of a parking garage ("Garage Project") for State of California employees with funds from the State's Infill and Infrastructure Grant ("IIG") program; for a cumulative amount, including all Loan Agreement amounts, not to exceed \$22,747,350; and 4) adopting findings that the loan agreements are consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and to authorize the Director of MOHCD to enter into amendments or modifications to the Agreements that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the Agreements or this Resolution.

October 30, 2024 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

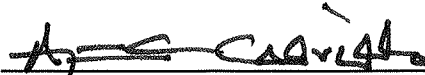
October 30, 2024 Budget and Finance Committee - RECOMMENDED AS AMENDED

November 05, 2024 Board of Supervisors - ADOPTED


Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 240991

I hereby certify that the foregoing Resolution was ADOPTED on 11/5/2024 by the Board of Supervisors of the City and County of San Francisco.



Angela Calvillo
Clerk of the Board



London N. Breed
Mayor

11/7/24

Date Approved