

1 [Loan Agreement - HV Partners 3, LP - Hunters View HOPE SF Vertical Phase III - 100%
2 Affordable Housing - Not to Exceed \$50,495,000]

3 **Resolution approving and authorizing the Director of the Mayor's Office of Housing**
4 **and Community Development ("MOHCD") to execute an Amended and Restated**
5 **Loan Agreement with HV Partners 3, LP, a California limited partnership, for a total**
6 **loan amount not to exceed \$50,495,000 to finance the construction of a 118-unit**
7 **multifamily rental housing development for low-income households, which will be**
8 **known as Hunters View HOPE SF Vertical Phase III (the "Project"); adopting findings**
9 **that the loan agreement is consistent with the adopted Mitigation Monitoring and**
10 **Reporting Program under the California Environmental Quality Act, the General Plan,**
11 **and the eight priority policies of Planning Code, Section 101.1; and authorizing the**
12 **Director of MOHCD or his or her designee to enter into any amendments or**
13 **modifications to the loan agreement and any other documents or instruments**
14 **necessary in connection therewith that the Director determines are in the best**
15 **interest of the City, do not materially increase the obligations or liabilities for the City**
16 **or materially diminish the benefits of the City, and are necessary or advisable to**
17 **effectuate the purposes and intent of this Resolution.**

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19 WHEREAS, In August 2007, the San Francisco Board of Supervisors established the
20 HOPE SF program to fund revitalization of San Francisco's most distressed public housing
21 (Ordinance No. 180-07); and

22 WHEREAS, HOPE SF is the nation's first large-scale public housing transformation
23 collaborative aimed at disrupting intergenerational poverty, reducing social isolation, and
24 creating vibrant mixed-income communities without mass displacement of current residents;
25 and

1 WHEREAS, HOPE SF, the City’s signature anti-poverty and equity initiative, is
2 committed to breaking intergenerational patterns related to the insidious impacts of trauma
3 and poverty, and to creating economic and social opportunities for current public housing
4 residents through deep investments in education, economic mobility, health, and safety; and

5 WHEREAS, The Housing Authority of the City and County of San Francisco (“SFHA”)
6 previously owned and operated 267 units of public housing on the approximately 23-acre site
7 known as Hunters View (the “Hunters View Project”); and

8 WHEREAS, The Hunters View Project is located in the Bayview-Hunters Point
9 neighborhood and is generally bounded by property owned by Pacific Gas & Electric to the
10 north, residential development to the west, Hunters Point Boulevard to the east, and Youth
11 Park and Malcom X Academy to the south; and

12 WHEREAS, The Hunters View HOPE SF master plan for the Hunters View Project (the
13 “Hunters View HOPE SF Master Plan”) consists of (i) three phases of development that when
14 completed will total a maximum of 800 units, of which at least 267 units will be replacement
15 units for existing Hunters View public housing households, approximately 137 units will be
16 additional affordable housing units, and up to 396 units will be for market rate homeownership
17 or rental, (ii) all new streets and utility infrastructure, (iii) 2.5 acres of new open spaces, and
18 (iv) approximately 16,000 square feet of new neighborhood-serving spaces; and

19 WHEREAS, In 2007, SFHA issued a Request for Proposals (“RFP”), seeking
20 submittals from qualified respondents to develop the Hunters View HOPE SF Master Plan;
21 and

22 WHEREAS, The John Stewart Company, a California corporation (“JSCo”), in
23 collaboration with Ridge Point Nonprofit Housing Corporation, a California nonprofit public
24 benefit corporation (“Ridge Point”), and Devine and Gong, Inc, a California corporation
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1 (“DGI”), jointly responded to the RFP and were selected to be the developer for the Hunters
2 View HOPE SF Master Plan; and

3 WHEREAS, JSCo, Ridge Point, and DGI established a separate entity named Hunters
4 View Associates, L.P., a California limited partnership (the “Hunters View HOPE SF Master
5 Plan Developer”) under which to plan and develop the Hunters View HOPE SF Master Plan;
6 and

7 WHEREAS, Hunters View Phase I and Phase II have been completed and include new
8 streets and utilities, along with privately owned publicly accessible parks and a total of 286
9 new affordable housing units and public housing replacement units, and rough graded lots for
10 market rate homeownership or rental; and

11 WHEREAS, Hunters View Phase III is the third and final phase of the Hunters View
12 Project; and

13 WHEREAS, Hunters View Phase III is an approximately 7.43-acre infill area that
14 includes the former public housing building foundations and the vacated streets of Wills and
15 Hare Streets, along with West Point Road; and

16 WHEREAS, The Project is an affordable housing development within Hunters View
17 Phase III, which will include 118-unit multifamily units affordable to low-income households, of
18 which 53 units will be public housing replacement units, 64 units will be additional affordable
19 housing units, and one unit will be a manager’s unit, and including property management and
20 resident services offices, community rooms, courtyards, a educational space, and
21 commercial kitchen/café (collectively, the “Project”); and

22 WHEREAS, The Hunters View HOPE SF Master Plan Developer established a
23 separate entity named HV Partners 3, LP, a California limited partnership (the “Hunters View
24 Phase 3 Borrower”) to develop the Project; and

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1 WHEREAS, The Hunters View Phase 3 Borrower desires to commence development
2 of the Project; and

3 WHEREAS, The Planning Commission, on June 12, 2008, in Motion No. 17617,
4 certified the Hunters View Redevelopment Project Environmental Impact Report (“EIR”), and
5 on February 20, 2020, in Motion No. 20663, adopted an addendum to the EIR dated
6 January 16, 2020, pursuant to the California Environmental Quality Act (California Public
7 Resources Code, Sections 21000 et seq., “CEQA”), and adopted findings in connection with
8 the development of the Hunters View Project, including the Project (“Environmental
9 Findings”); and

10 WHEREAS, The Planning Commission reviewed the Hunters View Project, including
11 the City support as provided to the Project, and found pursuant to CEQA Guidelines
12 (California Code of Regulations Title 14, Sections 15000 et seq.), Sections 15162 and 15164,
13 that the actions completed herein are consistent with, and within the scope, of the Hunters
14 View Project analyzed in the EIR and addendum, and that (1) no substantial changes are
15 proposed in the Hunters View Project and no substantial changes have occurred with respect
16 to the circumstances under which this Project will be undertaken that would require major
17 revisions to the EIR due to the involvement of any new significant environmental effects or a
18 substantial increase in the severity of previously identified effects and (2) no new information
19 of substantial importance that was not known and could not have been known with the
20 exercise of reasonable diligence at the time the EIR was certified as complete shows that the
21 Project will have any new significant effects not analyzed in the EIR, or a substantial increase
22 in the severity of any effect previously examined, or that new mitigation measures or
23 alternatives previously found not to be feasible would in fact be feasible and would
24 substantially reduce one or more significant effects of the Project, or that mitigation measures
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1 or alternatives which are considerably different from those analyzed in the EIR would
2 substantially reduce one or more significant effects on the environment; and

3 WHEREAS, The Planning Commission, in Motion No. 20663, dated February 20, 2020,
4 which incorporated by reference the General Plan Findings set forth in Planning Commission
5 Motion No. 17621, declared that the Hunters View Project (including the Project) is in
6 conformity with the General Plan, and consistent with the eight priority policies of Planning
7 Code, Section 101.1; and

8 WHEREAS, Copies of the Planning Commission Motions, the Environmental Findings,
9 and additional environmental determination are on file with the Clerk of the Board of
10 Supervisors in File No. 230380 and incorporated herein by reference; and

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

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

20 WHEREAS, MOHCD provided Hunters View Phase 3 Borrower with a loan to
21 commence predevelopment activities for the Project; and

22 WHEREAS, On March 17, 2023, the Citywide Affordable Housing Loan Committee,
23 consisting of MOHCD, the Department of Homelessness and Supportive Housing, the Office
24 of Community Investment and Infrastructure, the Controller's Office of Public Finance, and
25

1 SFHA, recommended approval to the Mayor of a loan to the Hunters View Phase 3 Borrower
2 for the Project in a total amount not to exceed \$50,495,000; and

3 WHEREAS, To leverage funding sources in order for the Hunters View Phase 3
4 Borrower to construct the Project, MOHCD desires to provide a loan in an amount not to
5 exceed \$50,495,000 to the Hunters View Phase 3 Borrower pursuant to an Amended and
6 Restated Loan Agreement (“Agreement”) in substantially the form on file with the Clerk of the
7 Board in File No. 230380, and in such final form as approved by the Director of MOHCD and
8 the City Attorney; and

9 WHEREAS, The material terms of the Agreement also include: (i) a minimum term of
10 57 years; and (ii) will bear interest at 0.25% per annum; now, therefore, be it

11 RESOLVED, The Board of Supervisors hereby adopts the Environmental Findings
12 regarding the California Environmental Quality Act for the Project, and hereby incorporates
13 such findings by reference as though fully set forth in this Resolution; and, be it

14 FURTHER RESOLVED, That the Board of Supervisors hereby finds that the Project is
15 consistent with the General Plan, and with the eight priority policies of Planning Code, Section
16 101.1 for the same reasons as set forth in the February 20, 2020, determination of the
17 Planning Commission, and hereby incorporates such findings by reference as though fully set
18 forth in this Resolution; and, be it

19 FURTHER RESOLVED, That the Board of Supervisors hereby approves the
20 Agreement and authorizes the Director of MOHCD or his or her designee to enter into any
21 amendments or modifications to the Agreement (including, without limitation, preparation and
22 attachment or, or changes to, any of all of the exhibits and ancillary agreements) and any
23 other documents or instruments necessary in connection therewith that the Director
24 determines, in consultation with the City Attorney, are in the best interest of the City, do not
25 materially increase the obligations or liabilities for the City or materially diminish the benefits of

1 the City, are necessary or advisable to effectuate the purposes and intent of this Resolution
2 and are in 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 Agreement being fully
13 executed by all parties, MOHCD shall provide the final Agreement to the Clerk of the Board
14 for inclusion into the official file.

1 Recommended

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3 _____ /s/

4 Eric D. Shaw, Director
5 Mayor's Office of Housing and Community Development

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