

1 [Loan Agreement - BHC Balboa Builders, LLC - Balboa Reservoir - Infrastructure
2 Improvements - Not to Exceed \$56,425,904]

3 **Resolution approving and authorizing the Director of the Mayor's Office of Housing**
4 **and Community Development to execute an Amended and Restated Loan Agreement**
5 **with BHC Balboa Builders, LLC, a California limited liability company, for a total loan**
6 **amount not to exceed \$56,425,904 to finance the first phase of infrastructure**
7 **improvements related to the revitalization and master development of an**
8 **approximately 17.6-acre site with various public benefits including affordable housing,**
9 **commonly known as the Balboa Reservoir Project; adopting findings that the loan**
10 **agreement is consistent with the adopted Mitigation Monitoring and Reporting**
11 **Program under the California Environmental Quality Act, the General Plan, and the**
12 **priority policies of Planning Code, Section 101.1; and to authorize the Director of**
13 **MOHCD or his designee to enter into amendments or modifications to the Agreement**
14 **that do not materially increase the obligations or liabilities to the City and are**
15 **necessary to effectuate the purposes of the Agreement or this Resolution.**

16
17 WHEREAS, The Balboa Reservoir Project (a 17.6-acre site located generally
18 north of the Ocean Avenue commercial district, west of the City College of San
19 Francisco Ocean Campus, east of the Westwood Park neighborhood, and south of
20 Archbishop Riordan High School) (Property) includes four 100% affordable housing
21 projects, as part of the Balboa Reservoir Development Agreement (File No. 200423);
22 and

23 WHEREAS, In 2017, the City issued a Request for Proposals (RFP) for the
24 disposition and development of the Project Site in accordance with the selection criteria
25 described in the RFP; in response to the RFP, the City evaluated proposals from nine

1 development teams, and selected a joint venture of BRIDGE Housing Corporation and
2 AvalonBay Communities, Inc. as the highest scoring proposer; the selected joint
3 venture formed Reservoir Community Partners, LLC, a Delaware limited liability
4 company to plan, develop and execute the Project; and

5 WHEREAS, By Ordinance No. 142-20, the Board of Supervisors approved a
6 Development Agreement with Reservoir Community Partners, LLC, relating to the
7 Project Site (the "Development Agreement") under Administrative Code, Chapter 56;
8 and

9 WHEREAS, BHC Balboa Builders, LLC (Developer), an affiliate of BRIDGE
10 Housing Corporation, purchased the Property pursuant to a Purchase and Sale
11 Agreement approved by this Board of Supervisors in Resolution No. 373-20; and

12 WHEREAS, The Balboa Reservoir Project is a mixed-use, mixed-income
13 development with several different components: (i) construction of the public
14 infrastructure; (ii) development of private affordable housing on affordable parcels in
15 accordance with an affordable housing plan; (iii) development of private residential
16 projects on market rate parcels; and (iv) development of community improvements
17 (e.g., open space areas, community facilities) throughout the Property; and

18 WHEREAS, By Ordinance No. 142-20, the Board of Supervisors made findings
19 under the California Environmental Quality Act (Public Resources Code, Sections
20 21000 et seq.) and findings of consistency with the General Plan, and the eight priority
21 policies of Planning Code, Section 101.1, which Ordinance is on file with the Clerk of
22 the Board of Supervisors in File No. 200422 and is incorporated herein by reference;
23 and

24 WHEREAS, The City, acting through the Mayor's Office of Housing and
25 Community Development ("MOHCD"), administers a variety of housing programs that

1 provide financing for the development of new affordable housing and the rehabilitation
2 of single- and multi-family housing for low- and moderate-income households and
3 resources for homeowners in San Francisco; and

4 WHEREAS, MOHCD enters into loan agreements with affordable housing
5 developers and operators; administers loan agreements; reviews annual audits and
6 monitoring reports; monitors compliance with affordable housing requirements in
7 accordance with capital funding regulatory agreements; and if necessary, takes
8 appropriate action to enforce compliance; and

9 WHEREAS, MOHCD provided Developer with a loan to commence
10 predevelopment activities for the Project; and

11 WHEREAS, The Developer desires to commence the first phase of the Project,
12 which will include infrastructure improvements to facilitate the construction of
13 approximately 287 new affordable rental units, new street segments, pedestrian and
14 bicycle connections, and underground utilities to serve the Project ("Phase 1 Project");
15 and

16 WHEREAS, On June 27, 2025, the Citywide Affordable Housing Loan
17 Committee, consisting of MOHCD, Department of Homelessness and Supportive
18 Housing, the Office of Community Investment and Infrastructure, Office of the
19 Controller, recommended approval to the Mayor of a loan to the Developer for the
20 Phase 1 Project in a total amount not to exceed \$56,425,904; and

21 WHEREAS, In order for the Developer to construct the Phase 1 Project,
22 MOHCD provided an initial predevelopment loan in the amount of \$5,000,000 on June
23 20, 2025, and MOHCD desires to provide an additional loan for a total amount not to
24 exceed \$56,425,904, to the Developer pursuant to an Amended and Restated Loan
25 Agreement ("Infrastructure Agreement") in substantially the form on file with the Clerk

1 of the Board in File No. 250829, and in such final form as approved by the Director of
2 MOHCD and the City Attorney; and

3 WHEREAS, The material terms of the Infrastructure Agreement also include: (i)
4 a minimum term of 10 years with two 5-year extensions; and (ii) will bear simple
5 interest at a rate of 5%; now, therefore, be it

6 RESOLVED, That the Board of Supervisors hereby adopts the findings
7 contained in Ordinance No. 142-20 regarding the California Environmental Quality Act
8 for the Project, and hereby incorporates such findings by reference as though fully set
9 forth in this Resolution; and, be it

10 FURTHER RESOLVED, That the Board of Supervisors hereby finds that the
11 Project is consistent with the General Plan, and with the eight priority policies of
12 Planning Code, Section 101.1 for the same reasons as set forth in Ordinance No. 142-
13 20, and hereby incorporates such findings by reference as though fully set forth in this
14 Resolution; and, be it

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

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

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

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

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3 /s/
4 Daniel Adams, Director
5 Mayor's Office of Housing and Community Development
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