

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

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

22 WHEREAS, In 2017, the City issued a Request for Proposals (RFP) for the disposition
23 and development of the Project Site in accordance with the selection criteria described in the
24 RFP; in response to the RFP, the City evaluated proposals from nine development teams, and
25 selected a joint venture of BRIDGE Housing Corporation and AvalonBay Communities, Inc. as

1 the highest scoring proposer; the selected joint venture formed Reservoir Community Partners,
2 LLC, a Delaware limited liability company to plan, develop and execute the Project; and

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

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

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

15 WHEREAS, By Ordinance No. 142-20, the Board of Supervisors made findings under
16 the California Environmental Quality Act (Public Resources Code, Sections 21000 et seq.) and
17 findings of consistency with the General Plan, and the eight priority policies of Planning Code,
18 Section 101.1, which Ordinance is on file with the Clerk of the Board of Supervisors in File No.
19 200423 and is incorporated herein by reference; and

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

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

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

7 WHEREAS, The Developer desires to commence the first phase of the Project, which
8 will include infrastructure improvements to facilitate the construction of approximately 287 new
9 affordable rental units, new street segments, pedestrian and bicycle connections, and
10 underground utilities to serve the Project (“Phase 1 Project”); and

11 WHEREAS, On June 27, 2025, the Citywide Affordable Housing Loan Committee,
12 consisting of MOHCD, Department of Homelessness and Supportive Housing, the Office of
13 Community Investment and Infrastructure, Office of the Controller, recommended approval to
14 the Mayor of a loan to the Developer for the Phase 1 Project in a total amount not to exceed
15 \$56,425,904; and

16 WHEREAS, In order for the Developer to construct the Phase 1 Project, MOHCD
17 provided an initial predevelopment loan in the amount of \$5,000,000 on June 20, 2025, and
18 MOHCD desires to provide an additional loan for a total amount not to exceed \$56,425,904, to
19 the Developer pursuant to an Amended and Restated Loan Agreement (“Infrastructure
20 Agreement”) in substantially the form on file with the Clerk of the Board in File No. 250829, and
21 in such final form as approved by the Director of MOHCD and the City Attorney; and

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

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

5 FURTHER RESOLVED, That the Board of Supervisors hereby finds that the Project is
6 consistent with the General Plan, and with the eight priority policies of Planning Code, Section
7 101.1 for the same reasons as set forth in Ordinance No. 142-20, and hereby incorporates
8 such findings by reference as though fully set forth in this Resolution; and, be it

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

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

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

4 FURTHER RESOLVED, That within thirty (30) days of the Infrastructure Agreement
5 being fully executed by all parties, MOHCD shall provide the final Infrastructure Agreement to
6 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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