

1 [Ground Lease and Amended, Restated and Consolidated Loan Agreement - 967 Mission, LP
2 - 967 Mission Street - 100% Affordable Housing - \$15,000 Annual Base Rent - Loan Not to
3 Exceed \$44,318,000]

4 **Resolution 1) approving and authorizing the Director of Property and the Director of the**
5 **Mayor’s Office of Housing and Community Development (“MOHCD”) to enter into a**
6 **Ground Lease for real property owned by the City located at 967 Mission Street**
7 **(“Property”) with 967 Mission, LP, for a lease term of 75 years and one 24-year option**
8 **to extend, and an annual base rent of \$15,000 (“Ground Lease”) in order to construct a**
9 **100% affordable rental housing development consisting of 95-units (including one**
10 **unrestricted manager’s unit) for senior households, known as 967 Mission, including**
11 **40 senior operating subsidy units, 24 local operating subsidy program units reserved**
12 **for homeless seniors and seniors at risk of homelessness, and five units for referrals**
13 **from the City’s plus housing list (the “Project”); 2) authorizing the Mayor and the**
14 **Director of MOHCD to execute loan documents related to a loan to 967 Mission, LP, to**
15 **provide financing for the development and construction of the Project; 3) approving**
16 **and authorizing an Amended, Restated and Consolidated Loan Agreement in an**
17 **amount not to exceed \$44,318,000 for a minimum loan term of 57 years with 967**
18 **Mission, LP to finance the development and construction of the Project; 4) determining**
19 **that the less than market rent payable under the Ground Lease will serve a public**
20 **purpose by providing affordable housing for low-income, senior households in need, in**
21 **accordance with Section 23.30 of the Administrative Code; 5) adopting findings**
22 **declaring that the Property is “exempt surplus land” pursuant to the California Surplus**
23 **Land Act; 6) adopting findings that the Project and proposed transactions are**
24 **consistent with the General Plan, and the eight priority policies of Planning Code,**
25 **Section 101.1; and 7) authorizing the Director of MOHCD to make certain modifications**

1 **to such agreements, as defined herein, and take certain actions in furtherance of this**
2 **Resolution, as defined herein.**

3

4 WHEREAS, The City and County of San Francisco (the “City”), acting through the
5 Mayor’s Office of Housing and Community Development (MOHCD), administers a variety of
6 housing programs that provide financing for the development of new affordable multi-family
7 housing for low-income households in San Francisco; and

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

12 WHEREAS, On November 30, 2020, MOHCD issued a Multisite Request for
13 Qualifications (“RFQ”) for multiple sites to construct new affordable rental housing projects on
14 nine separate sites, located in various neighborhoods in the City to facilitate, economize and
15 streamline the process for the development of affordable housing; and

16 WHEREAS, The Project will be a residential building consisting of 95 units (including
17 one unrestricted manager’s unit), for low to extremely low income seniors, restricting 30 units
18 at 50% of median income (“AMI”), 24 units at 30% of AMI, 20 units at 25% of AMI, and 20
19 units at 15% of AMI, including 40 senior operating subsidy (“SOS”) units, 24 local operating
20 subsidy program (“LOSP”) units reserved for homeless seniors and seniors at risk of
21 homelessness, and five units for referrals from the City’s plus housing list; and

22 WHEREAS, John Stewart Company, a California corporation, acting by and through its
23 wholly owned affiliate, JSCO Development Services LLC, a California limited liability
24 company, and Bayview Hunters Point Multipurpose Senior Services, Inc., a California nonprofit
25 public benefit corporation (“JSCo/BHMSS”), responded to the RFQ and were selected as a

1 joint venture developer to undertake the development and construction of the Project serving
2 seniors age 62 or older; and

3 WHEREAS, JSCo/BHPMSS have formed 967 Mission, LP, a California limited
4 partnership (the “Low Income Developer”), as a separate entity under which to
5 construct own and operate the Project; and

6 WHEREAS, On January 31, 2024, by Notice of Final Approval of an AB 2162
7 application, the Planning Department by case No. 2023-009146PRJ determined that
8 the development of the Project met all the standards of the Planning Code and would
9 be eligible for ministerial approval under California Government Code, Section 65913.4
10 (Senate Bills 35 and 765), California Public Resources Code, Section 21080, and the
11 CEQA Guidelines, Sections 15002(i)(1), 15268 and 15369, and would therefore not be
12 subject to the California Environmental Quality Act (“CEQA”); and

13 WHEREAS, On October 17, 2025, the Citywide Affordable Housing Loan Committee,
14 consisting of MOHCD, Department of Homeless and Supportive Housing, the Office of
15 Community Investment and Infrastructure, and the Controller’s Office of Public Finance
16 recommended approval to the Mayor of a loan for the Project in an amount not to exceed
17 \$44,318,000 in local funds (“Loan”), for the Project, a copy of the substantially final form of the
18 Loan Agreement is on file with the Clerk of the Board of Supervisors in File No. 251265, and
19 is incorporated herein by reference; and

20 WHEREAS, The City, through MOHCD, will make the Loan to the Low Income
21 Developer under an Amended, Restated and Consolidated Loan Agreement (“Loan
22 Agreement”) and evidenced by a promissory note with the following material terms: (i) a
23 minimum term of 57 years; (ii) an interest rate of up to three percent (3%); (iii) annual
24 repayment of the Loan by Low Income Developer through residual receipts from the Project;
25 (iv) the Project shall be restricted for the life of the Project as affordable housing to low-

1 income, senior households with annual maximum rent and income established by MOHCD;
2 and (v) the Loan Agreement shall be secured by a deed of trust recorded against the Low
3 Income Developer's leasehold interest in the Property; a copy of the substantially final forms
4 of the Loan Agreement, promissory note, deed of trust, and declaration of restrictions is on file
5 with the Clerk of the Board of Supervisors in File No. 251265, and is incorporated herein by
6 reference; and

7 WHEREAS, The City owns that certain real property located at 967 Mission Street,
8 which is comprised of approximately 0.20 acres and currently designated as Assessor's
9 Parcel Block No. 086, Lot No. 3725 (collectively, the "Property"); and

10 WHEREAS, The Property is owned in fee simple by City but it is "exempt surplus land",
11 as defined in California Government Code, Section 55421(b)(1), because the Project will be a
12 100% affordable housing project under California Government Code, Section
13 54221(f)(1)(F)(i); and

14 WHEREAS, MOHCD and the Director of Property have approved the form of the
15 Ground Lease between the City and the Low Income Developer, pursuant to which the City
16 will lease the Property to the Borrower for a term of 75 years and one 24-year option to extend
17 and a base rent of \$15,000 per year, in exchange for the Low Income Developer's agreement,
18 among other things, to construct and operate the Project with rent levels affordable to
19 households up to 60% of area median income (AMI), as published by MOHCD; a copy of the
20 substantially final form of Ground Lease is on file with the Clerk of the Board of Supervisors in
21 File No. 251265, and is incorporated herein by reference; and

22 WHEREAS, The proposed rent of the Ground Lease is less than Market Rent (as
23 defined in Administrative Code, Section 23.2), but the less than Market Rent will serve a
24 public purpose by providing affordable housing for low-income households in need; and

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1 WHEREAS, MOHCD is also providing the Borrower with new financial assistance to
2 leverage other funding sources in order for Borrower to construct the Project; now, therefore,
3 be it

4 RESOLVED, That the Board of Supervisors hereby finds that the Project (and
5 associated actions necessary to effectuate the Project) is consistent with the General Plan,
6 and with the eight priority policies of Planning Code, Section 101.1, for the same reasons as
7 set forth in the Planning Approval Letter, a copy of which letter is on file with the Clerk of the
8 Board of Supervisors in File No. 251265, and hereby incorporates such findings by reference
9 as though fully set forth in this Resolution; and, be it

10 FURTHER RESOLVED, That the Board of Supervisors hereby finds, in consideration
11 of the foregoing, that the Property is surplus to the City's needs and not necessary for the
12 City's use, and further declares it to be "exempt surplus land" under Government Code,
13 Sections 54221 and 54221(f)(1)(F)(i); and, be it

14 FURTHER RESOLVED, That in accordance with the recommendation of the Director
15 of MOHCD and the Director of Property, the Board of Supervisors approves the Ground
16 Lease in substantially the form presented to the Board, and authorizes the Director of
17 Property (or the Director's designee, as used throughout) and Director of MOHCD (or the
18 Director's designee, as used throughout), to execute and deliver the Ground Lease, in
19 substantially the form presented to the Board, and any such other documents or agreements
20 (including such agreements to provide adequate or additional security or indemnities as
21 required by lenders to consummate the financing of the Project or lease of the Property) that
22 are necessary or advisable, in consultation with the City Attorney, to complete the transaction
23 contemplated by the Ground Lease and to effectuate the purpose and intent of this
24 Resolution, and determines that the less than Market Rent payable under the Ground Lease
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1 will serve a public purpose by providing affordable housing for low-income senior households;
2 and, be it

3 FURTHER RESOLVED, That the Board of Supervisors hereby approves the Loan
4 Agreement and the transaction contemplated thereby in substantially the form presented to
5 the Board, and authorizes the Mayor and the Director of MOHCD, to execute and deliver the
6 Loan Agreement and any such other documents or agreements (including such agreements
7 required by lenders to consummate the financing of the Project) that are necessary or
8 advisable, in consultation with the City Attorney, to complete the transaction contemplated by
9 the Loan Agreement and to effectuate the purpose and intent of this Resolution; and, be it

10 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
11 Property and/or Director of MOHCD, in consultation with the City Attorney, to enter into any
12 additions, amendments, or other modifications to the Ground Lease, and the Loan
13 Agreement, and any other documents or instruments necessary in connection therewith
14 (including, without limitation, preparation and attachment or, or changes to, any of all of the
15 exhibits and ancillary agreements), that the Director of Property and/or Director of MOHCD
16 determine are in the best interests of the City, do not materially decrease the benefits to the
17 City with respect to the Property, do not materially increase the obligations or liabilities of the
18 City, and are necessary or advisable to complete the transaction contemplated in the Ground
19 Lease, and the Loan Agreement, and that effectuate the purpose and intent of this Resolution,
20 such determination to be conclusively evidenced by the execution and delivery by the Director
21 of Property and/or the Director of MOHCD, as applicable, of any such additions, amendments,
22 or other modifications; and, be it

23 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes and
24 delegates to the Director of MOHCD and/or the Director of Property, the authority to
25 undertake any actions necessary to protect the City's financial security in the Property and

1 enforce the affordable housing restrictions, which may include, without limitation, acquisition
2 of the Property upon foreclosure and sale at a trustee sale, acceptance of a deed in lieu of
3 foreclosure, or curing the default under a senior loan; and, be it

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

7 FURTHER RESOLVED, That within thirty (30) days of the Ground Lease, and the Loan
8 Agreement being fully executed by all parties, MOHCD shall provide the final agreements to
9 the Clerk of the Board for inclusion into the official file.

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11 RECOMMENDED:

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14 /s/
Sarah R. Oerth, Director of Real Estate

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17 /s/
Daniel Adams, Director
Mayor's Office of Housing and Community Development

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