

1 [Loan Agreement - MEDA Precita Small Properties, LLC - Finance Acquisition, Rehabilitation,
2 and Permanent Financing for Various Properties - Not to Exceed \$37,820,766]

3 **Resolution approving and authorizing the Mayor and the Director of the Mayor's**
4 **Office of Housing and Community Development ("MOHCD") to execute loan**
5 **documents relating to a loan with MEDA Precita Small Properties, LLC in a total**
6 **amount not to exceed \$37,820,766 to finance the acquisition, rehabilitation, and**
7 **permanent financing of fifteen multifamily rental housing buildings for low- to**
8 **moderate-income households, consisting of a total of 89 residential rental units and**
9 **nine ancillary commercial units, located at 3329-3333 20th Street, 3182-3198 24th**
10 **Street, 3353-26th Street, 1500 Cortland Avenue, 35 Fair Avenue, 3840 Folsom Street,**
11 **642-646 Guerrero Street, 63-67 Lapidge Street, 2217-2221 Mission Street, 3800**
12 **Mission Street, 19-23 Precita Avenue, 344-348 Precita Avenue, 269-271 Richland**
13 **Avenue, 380 San Jose Avenue, and 1015 Shotwell Street, pursuant to the Small Sites**
14 **Program (collectively, the "Project"); affirming the Planning Department's**
15 **determination under the California Environmental Quality Act; adopting findings that**
16 **the Project and the proposed transactions are consistent with the General Plan, and**
17 **the eight priority policies of Planning Code, Section 101.1; and authorizing the**
18 **Director of MOHCD or his or her designee to execute the loan documents for the**
19 **Project and make certain modifications to such loan documents, as defined herein,**
20 **and take certain actions in furtherance of this Resolution, as defined herein.**

21
22 WHEREAS, The City and County of San Francisco, acting through the Mayor's
23 Office of Housing and Community Development ("MOHCD"), administers a variety of
24 housing programs that provide financing for the development of new housing and the
25

1 rehabilitation of single- and multi-family housing for low- and moderate-income households
2 in San Francisco; and

3 WHEREAS, The funding for these loans and grants comes from a variety of
4 sources, all of which are restricted to affordable housing and are subject to various housing
5 program restrictions; and

6 WHEREAS, Among its programs, MOHCD administers the Small Sites Program
7 (“SSP”) for the purpose of preserving and stabilizing San Francisco’s existing rental
8 housing stock of buildings, and converting properties to permanently affordable housing;
9 and

10 WHEREAS, The Citywide Affordable Housing Loan Committee approved revised
11 SSP Guidelines on September 9, 2022, and November 4, 2022, which consider sites with
12 over 40 residential units, subject to achievement of minimum scoring criteria per the SSP
13 Scoring Rubric; and

14 WHEREAS, MEDA Precita Small Properties, LLC, a California limited liability
15 company (the “Borrower”), which is an affiliate of the Mission Economic Development
16 Agency, a California nonprofit public benefit corporation, seeks to acquire, rehabilitate, and
17 permanently finance 89 total units of affordable residential rental housing and nine ancillary
18 commercial units within 15 separate buildings located at 3329-3333 20th Street, 3182-3198
19 24th Street, 3353-26th Street, 1500 Cortland Avenue, 35 Fair Avenue, 3840 Folsom Street,
20 642-646 Guerrero Street, 63-67 Lapidge Street, 2217-2221 Mission Street, 3800 Mission
21 Street, 19-23 Precita Avenue, 344-348 Precita Avenue, 269-271 Richland Avenue, 380
22 San Jose Avenue, and 1015 Shotwell Street in San Francisco, California (collectively, the
23 “Project”); and

1 WHEREAS, The City previously provided multiple SSP loans in the aggregate
2 amount of \$31,580,766 (“Original SSP Loans”) to the owners of the Project (“Original
3 Owners”) for the acquisition and rehabilitation of the Project; and

4 WHEREAS, The Borrower has agreed to acquire the parts of the Project that is does
5 not yet own and assume the Original SSP Loans from the Original Owners for the Project;
6 and

7 WHEREAS, The Borrower has requested, and MOHCD desires to consent to, the
8 consolidation and refinancing of the Original SSP Loans; and

9 WHEREAS, The Borrower has requested, and MOHCD desires to loan up to
10 \$6,240,000 in new SSP funds for the Project; and

11 WHEREAS, On September 19, 2025, the Citywide Affordable Housing Loan
12 Committee, consisting of representatives of MOHCD, the Department of Homelessness
13 and Supportive Housing, the Office of Community Investment and Infrastructure, and the
14 Controller’s Office of Public Finance, recommended approval to the Mayor of the
15 acquisition, rehabilitation, and permanent financing loan for the Project in a total amount
16 not to exceed \$37,820,766 under the Small Sites Program; and

17 WHEREAS, The form of loan documents evidencing and securing the loan for the
18 Project are on file with the Clerk of the Board in File No. _____, and include: a Loan
19 Agreement, Amended and Restated Declarations of Restrictions for each building in the
20 Project; one or more Promissory Notes; a City Option to Purchase; and one or more Deeds
21 of Trust (all of the foregoing, collectively, the “Loan Documents”); and

22 WHEREAS, An Amended and Restated Declaration of Restrictions for each building
23 will restrict the Project as affordable housing to low- and moderate-income households with
24 annual maximum rent and income established by MOHCD for as long as the Project or any
25

1 modification of the Project remains in existence, but in any event no event less than 99
2 years; and

3 WHEREAS, The Amended and Restated Declarations of Restrictions for the Project
4 will not be subordinated to any third party financing instrument; and

5 WHEREAS, The Borrower and the City will also enter into a Purchase Option
6 Agreement enforcing the terms of the Amended and Restated Declaration of Restrictions
7 and providing the City the option to purchase the Project if the Borrower elects to sell the
8 Project; and

9 WHEREAS, The Planning Department, by letter dated September 23, 2025
10 ("Planning Letter"), has determined that the proposed Project is not defined as a project
11 under the California Environmental Quality Act ("CEQA"), Guidelines, Section 15378 and
12 15060(c)(2), and is consistent, on balance, with the General Plan, and the eight priority
13 policies of Planning Code, Section 101.1, which Planning Letter is on file with the Clerk of
14 the Board of Supervisors in File No. _____, and incorporated herein by this reference;
15 now, therefore, be it

16 RESOLVED, That the Board of Supervisors hereby affirms the Planning
17 Department's determination under CEQA and finds that the Project is consistent, on
18 balance, with the General Plan, and the eight priority policies of Planning Code Section
19 101.1 for the reasons set forth in the Planning Letter; and, be it

20 FURTHER RESOLVED, That the Board of Supervisors hereby approves the Loan
21 Documents, and authorizes the Mayor and the Director of MOHCD (or the Director's
22 designee) to negotiate and enter into agreements based upon and substantially in the form
23 of the Loan Documents for the Project (including, without limitation, modifications of the
24 Loan Documents, and preparation and attachment of, or changes to, any of the exhibits
25 and ancillary agreements) and any other documents or instruments necessary in

1 connection therewith, that the Director of MOHCD determines, in consultation with the City
2 Attorney, are in the best interest of the City, do not materially increase the obligations or
3 liabilities for the City or materially diminish the benefits of the City, or are necessary or
4 advisable to effectuate the purposes and intent of this Resolution and are in compliance
5 with all applicable laws, including the City Charter; and, be it

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

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

16 FURTHER RESOLVED, That within thirty (30) days of the Loan Documents being
17 fully executed by all parties, MOHCD shall provide the loan documents to the Clerk of the
18 Board for inclusion into the official file.

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20
21 RECOMMENDED:

22 /s/
23 Daniel Adams
24 Director, Mayor's Office of Housing and Community Development
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