

1 [Amended and Restated Ground Lease and Amended and Restated Loan Agreement - Casa
2 Adelante SVN Housing, L.P. - 1515 South Van Ness Avenue - 100% Affordable Housing -
3 \$15,000 Annual Base Rent - Loan Not to Exceed \$45,233,623]

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 an**
6 **Amended and Restated Ground Lease for real property owned by the City located at**
7 **1515 South Van Ness Avenue ("Property") with Casa Adelante SVN Housing, L.P. for a**
8 **lease term of 75 years and one 24-year option to extend and an annual base rent of**
9 **\$15,000 ("Ground Lease") in order to construct a 168-unit (including one manager's**
10 **unit) multifamily rental housing development affordable to low-income households and**
11 **including community-serving commercial space (the "Project"); 2) approving and**
12 **authorizing an Amended and Restated Loan Agreement in an amount not to exceed**
13 **\$45,233,623 for a minimum loan term of 57 years ("Loan Agreement") with Casa**
14 **Adelante SVN Housing, L.P. to finance the development and construction of the**
15 **Project; 3) adopting findings declaring that the Property is "exempt surplus land"**
16 **pursuant to the California Surplus Lands Act; 4) determining that the less than market**
17 **rent payable under the Ground Lease will serve a public purpose by providing**
18 **affordable housing for low-income households in need, in accordance with Section**
19 **23.30 of the Administrative Code; 5) adopting findings that the Project and proposed**
20 **transactions are consistent with the General Plan, and the eight priority policies of**
21 **Planning Code, Section 101.1; and 6) authorizing the Director of Property and/or the**
22 **Director of MOHCD to execute the Amended and Restated Ground Lease and the Loan**
23 **Agreement, and make certain modifications to such agreements, as defined herein, and**
24 **take certain actions in furtherance of this Resolution, as defined herein.**
25

1 WHEREAS, The City and County of San Francisco (“City”) owns certain real property
2 located at 1515 South Van Ness Avenue in San Francisco, California, which is comprised of
3 approximately 0.80 acres and known as Assessor's Parcel Block No. 6571, Lot No. 053
4 (formerly Lots 008, 001, and 001A) (collectively, the “Property”); and

5 WHEREAS, Pursuant to Resolution No. 320-19, the City acquired the Property for the
6 purpose of developing affordable housing on the Property; and

7 WHEREAS, The City, acting through the Mayor’s Office of Housing and Community
8 Development (“MOHCD”), administers a variety of housing programs that provide financing for
9 the development of new affordable housing and the rehabilitation of single- and multi-family
10 housing for low- and moderate-income households and resources for homeowners in San
11 Francisco; and

12 WHEREAS, MOHCD provides loans to affordable housing developers and operators,
13 administers loan agreements, reviews annual audits and monitoring reports, monitors
14 compliance with affordable housing requirements in accordance with capital funding
15 regulatory agreements, and if necessary, takes appropriate action to enforce compliance; and

16 WHEREAS, Pursuant to Resolution No. 436-23, the Board of Supervisors declared the
17 Property as Exempt Surplus Land under California Government Code, Sections 25539.4 and
18 54221(f)(1)(A) and affirmed the use of the Property by MOHCD for development as 100%
19 affordable housing with ancillary commercial space; and

20 WHEREAS, On November 30, 2020, MOHCD issued a Request for Qualifications
21 (“RFQ”) for a developer to work with the City to develop affordable housing on the Property;
22 and

23 WHEREAS, Mission Economic Development Agency, a California nonprofit public
24 benefit corporation (“MEDA”), and Chinatown Community Development Center, a California
25

1 public benefit corporation (“CCDC”), responded to the RFQ and were selected as the joint
2 developers of the Project; and

3 WHEREAS, MEDA and CCDC have established Casa Adelante SVN Housing, L.P.,
4 a California limited partnership (the “Borrower”), for the purpose of developing the Project;
5 and

6 WHEREAS, On April 19, 2024, by Notice of Final Approval of an AB 2162 Project, the
7 Planning Department by case No. 2023-003263PRJ determined that the development of the
8 Project met all the standards of the Planning Code and would be eligible for ministerial
9 approval under California Government Code, Section 65650 (Assembly Bill AB 2162), and
10 Section 65915 (State Density Bonus Law) California Public Resources Code, Section 21080,
11 and the CEQA Guidelines, Sections 15002(i)(1), 15268 and 15369, and would therefore not
12 be subject to the California Environmental Quality Act (“CEQA”); a copy of the Notice of Final
13 Approval of an AB 2162 Project is on file with the Clerk of the Board of Supervisors in File
14 No. 241134, and is incorporated herein by reference; and

15 WHEREAS, By letter dated May 16, 2024, the Planning Department determined that
16 the Project is consistent with the General Plan, and eight priority policies of Planning Code,
17 Section 101.1 (the “General Plan Referral”); a copy of the Planning Department’s General
18 Plan Referral is on file with the Clerk of the Board of Supervisors in File No. 241134, and is
19 incorporated herein by reference; and

20 WHEREAS, Pursuant to Resolution No. 422-24, the City entered into a Ground Lease
21 with the Borrower for the Property; and

22 WHEREAS, MOHCD and the Director of Property have approved the form of the
23 Amended and Restated Ground Lease between the City and the Borrower, pursuant to which
24 the City will lease the Property to the Borrower for a term of 75 years and one 24-year option
25 to extend and a base rent of \$15,000 per year, in exchange for the Borrower’s agreement,

1 among other things, to construct and operate the Project with rent levels affordable to
2 households up to 80% of area median income (AMI) published by MOHCD; a copy of the
3 substantially final form of Amended and Restated Ground Lease is on file with the Clerk of the
4 Board of Supervisors in File No. 241134, and is incorporated herein by reference; and

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

8 WHEREAS, MOHCD is also providing the Borrower with new financial assistance to
9 leverage other funding sources in order for Borrower to construct the Project; and

10 WHEREAS, On November 1, 2024, the Citywide Affordable Housing Loan Committee,
11 consisting of MOHCD, Department of Homeless and Supportive Housing, the Office of
12 Community Investment and Infrastructure, and the Controller's Office of Public Finance
13 recommended approval to the Mayor of a loan to the Borrower for the Project for a total
14 amount not to exceed \$45,233,623 in funds (the "Loan"); and

15 WHEREAS, The City, through MOHCD, will make the Loan to the Borrower under and
16 Amended and Restated Loan Agreement ("Loan Agreement") and evidenced by two
17 promissory notes in the amounts of \$7,180,991 for the predevelopment funds and
18 \$38,052,632 in additional construction financing with the following material terms: (i) a
19 minimum term of 57 years; (ii) an interest rate of up to [three percent (3%)] for the
20 predevelopment funds and [one and fifty-fifths] percent ([1.55]%) for the additional
21 construction financing; (iii) annual repayment of the Loan by Borrower through residual
22 receipts from the Project; (iv) the Project shall be restricted for life of the Project as affordable
23 housing to low-income households with annual maximum rent and income established by
24 MOHCD; and (v) the Loan Agreement shall be secured by a deed of trust recorded against
25 the Borrower's leasehold interest in the Property; a copy of the substantially final forms of the

1 Loan Agreement, promissory notes, deed of trust, and amended and restated declaration of
2 restrictions is on file with the Clerk of the Board of Supervisors in File No. 241134, and is
3 incorporated herein by reference; now, therefore, 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 Department Letter, and hereby incorporates such findings by
8 reference as though fully set forth in this Resolution; and, be it

9 FURTHER RESOLVED, That the Board of Supervisors hereby finds, in consideration
10 of the foregoing, that the Property is "exempt surplus land," as defined in California
11 Government Code, Section 54221(f)(1), because the Project will restrict 100% of the
12 residential units to low-income persons and families, pursuant to California Government Code,
13 Section 25539.4; 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 Amended and
16 Restated Ground Lease in substantially the form presented to the Board, and authorizes the
17 Director of Property (or the Director's designee, as used throughout) and Director of MOHCD
18 (or the Director's designee, as used throughout), to execute and deliver the Amended and
19 Restated Ground Lease, in substantially the form presented to the Board, and any such other
20 documents or agreements (including such agreements to provide adequate or additional
21 security or indemnities as required by lenders to consummate the financing of the Project or
22 lease of the Property) that are necessary or advisable, in consultation with the City Attorney,
23 to complete the transaction contemplated by the Amended and Restated Ground Lease and
24 to effectuate the purpose and intent of this Resolution, and determines that the less than
25

1 Market Rent payable under the Amended and Restated Ground Lease will serve a public
2 purpose by providing affordable housing for low-income households in need; 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 that are necessary or advisable to complete
7 the transaction contemplated by the Loan Agreement and to effectuate the purpose and intent
8 of this Resolution; and, be it

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

22 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes and
23 delegates to the Director of MOHCD and/or the Director of Property, the authority to
24 undertake any actions necessary to protect the City's financial security in the Property and
25 enforce the affordable housing restrictions, which may include, without limitation, acquisition



City and County of San Francisco

Tails

Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 241134

Date Passed: December 10, 2024

Resolution 1) approving and authorizing the Director of Property and the Director of the Mayor's Office of Housing and Community Development ("MOHCD") to enter into an Amended and Restated Ground Lease for real property owned by the City, located at 1515 South Van Ness Avenue ("Property"), with Casa Adelante SVN Housing, L.P. for a lease term of 75 years and one 24-year option to extend and an annual base rent of \$15,000 ("Ground Lease"), in order to construct a 168-unit (including one manager's unit) multifamily rental housing development affordable to low-income households and including a community-serving commercial space (the "Project"); 2) approving and authorizing an Amended and Restated Loan Agreement in an amount not to exceed \$45,233,623 for a minimum loan term of 57 years ("Loan Agreement") with Casa Adelante SVN Housing, L.P. to finance the development and construction of the Project; 3) adopting findings declaring that the Property is "exempt surplus land" pursuant to the California Surplus Lands Act; 4) determining that the less than market rent payable under the Ground Lease will serve a public purpose by providing affordable housing for low-income households in need, in accordance with Section 23.30 of the Administrative Code; 5) adopting findings that the Project and proposed transactions are consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and 6) authorizing the Director of Property and/or the Director of MOHCD to execute the Amended and Restated Ground Lease and the Loan Agreement, and make certain modifications to such agreements, as defined herein, and take certain actions in furtherance of this Resolution, as defined herein.

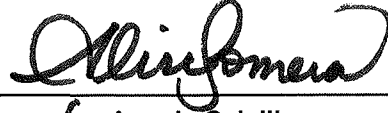
December 04, 2024 Budget and Finance Committee - RECOMMENDED

December 10, 2024 Board of Supervisors - ADOPTED

Ayes: 10 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai and Walton

File No. 241134

I hereby certify that the foregoing
Resolution was ADOPTED on 12/10/2024 by
the Board of Supervisors of the City and
County of San Francisco.



f Angela Calvillo
Clerk of the Board



London N. Breed
Mayor

12/12/24

Date Approved