

1 [Loan Agreement - 88 Broadway Family, L.P. - 100% Affordable Housing at 88 Broadway -
2 Not to Exceed \$31,020,739]

3 **Resolution approving and authorizing the Director of the Mayor’s Office of Housing and**
4 **Community Development to execute a Loan Agreement with 88 Broadway Family, L.P.,**
5 **a California limited partnership, in an amount not to exceed \$31,020,739 for a minimum**
6 **term of 57 years to finance the construction of a 100% affordable, 124-unit multifamily**
7 **rental housing development (plus one staff unit) for low and moderate income**
8 **households (“Broadway Project”); and adopting findings that the Loan Agreement is**
9 **consistent with the adopted Mitigation Monitoring and Reporting Program under the**
10 **California Environmental Quality Act, the General Plan, and the eight priority policies of**
11 **Planning Code, Section 101.1.**

12
13 WHEREAS, The City and County of San Francisco, acting through the Mayor’s Office
14 of Housing and Community Development (“MOHCD”), administers a variety of housing
15 programs that provide financing for the development of new affordable housing and the
16 rehabilitation of single- and multi-family housing for low- and moderate-income households
17 and resources for homeowners in San Francisco; and

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

22 WHEREAS, The City and County of San Francisco, acting through the San Francisco
23 Port Commission (“Port”) owns Seawall Lot 322-1, also known by its street address as “88
24 Broadway” (the “Broadway Property”), a land parcel with approximately 37,810 square feet
25 area bounded by Broadway, Front, and Vallejo Street and buildings and a vacant City-owned

1 property located at 735 Davis Street (Assessor’s Parcel Block No. 0140, Lot No. 008) (“Davis
2 Property”); and

3 WHEREAS, In 2015, MOHCD issued a Request for Proposal (RFP), seeking
4 submittals from qualified respondents to develop the Broadway Property and Davis Property
5 as affordable rental housing for low- and moderate-income households; and

6 WHEREAS, BRIDGE Housing Corporation, a California nonprofit public benefit
7 corporation (“BRIDGE”), in collaboration with and the John Stewart Company, a California
8 corporation (“JSCo”), jointly responded to the RFP and was selected to be the developer for
9 the Broadway Property and Davis Property; and

10 WHEREAS, BRIDGE and JSCo established a separate entity named 88 Broadway
11 Family, L.P., a California limited partnership (“Sponsor”) under which to lease the Broadway
12 Property and develop the Broadway Project; and

13 WHEREAS, In conjunction with the Broadway Project, which will provide 124
14 affordable housing units for low- and moderate-income families (plus one staff unit), BRIDGE
15 and JSCo will also jointly develop a 100% affordable housing project with 52 rental units for
16 low- and moderate-income senior households (plus one staff unit) on the Davis Property
17 (together with the Broadway Project, the “Project”), for a total of 176 new affordable housing
18 units; and

19 WHEREAS, The Department of City Planning (“Planning Department”) prepared a
20 Draft Initial Study/Preliminary Mitigated Negative Declaration (“PMND”) and Mitigation
21 Monitoring and Reporting Program (“MMRP”) for the Project and published the Draft PMND
22 and MMRP for public review on October 25, 2017, which were available for public comment
23 until November 27, 2017; and

24 WHEREAS, The Planning Commission held a public hearing on the PMND and found
25 that the contents of the PMND and the procedures through which the PMND was prepared,

1 publicized, and reviewed complied with the California Environmental Quality Act (California
2 Public Resources Code Sections 21000 et seq.) (CEQA), 14 California Code of Regulations
3 Sections 15000 et seq. (the “CEQA Guidelines”) and Chapter 31 of the San Francisco
4 Administrative Code (“Chapter 31”) and finalized the PMND (the Final MND); and

5 WHEREAS, On March 9, 2018, the Environmental Review Officer signed the FMND for
6 the Project and the Final MND was issued in compliance with CEQA, the CEQA Guidelines
7 and Chapter 31; and

8 WHEREAS, On May 3, 2018, the Planning Director found the FMND was adequate,
9 accurate and objective, reflected the independent analysis and judgment of the Planning
10 Director, and adopted the FMND and the MMRP, and authorized the Project in the Affordable
11 Housing Project Authorization; and

12 WHEREAS, The Historic Preservation Commission approved with conditions the
13 Certificate of Appropriateness Motion No. 0335) for the Project on April 4, 2018, on file with
14 the Clerk of the Board of Supervisors in File No. 180683, and incorporated herein by this
15 reference; and

16 WHEREAS, The Planning Department Commission Secretary is the custodian of
17 record for the file for Case No. 2016- 007850PRJ at 1650 Mission Street, Suite 400, San
18 Francisco, California; and

19 WHEREAS, The FMND and the MMRP has been made available to the public, the Port
20 Commission and the Board of Supervisors for their review and action and which is on file with
21 the Clerk of the Board of Supervisors in File No. 180683, and incorporated herein by this
22 reference; and

23 WHEREAS, By letter dated June 15, 2018, the Department of City Planning adopted
24 and issued a General Plan Consistency Finding, a copy of which is on file with the Clerk of the
25 Board in Board File No. 180683 and incorporated in this resolution by reference, wherein the

1 Department of City Planning found that the Project is consistent with the City’s General Plan,
2 and with the eight priority policies under Planning Code, Section 101.1;

3 WHEREAS, On July 12, 2018, by Resolution 264-18, the Board of Supervisors
4 approved and authorized an option agreement and form of ground lease of the Broadway
5 Property for the purpose of development and construction of the Broadway Project, and
6 adopted the MMRP and found that all required mitigation measures identified in the FMND
7 and contained in the MMRP will be included in the ground lease; and

8 WHEREAS, On January 18, 2019, the Citywide Affordable Housing Loan Committee,
9 consisting of MOHCD, Department of Homeless and Supportive Housing, and the Office of
10 Community Investment and Infrastructure, recommended approval to the Mayor of a loan for
11 the Broadway Project in an amount not to exceed \$31,020,739; and

12 WHEREAS, To leverage equity from an allocation of low-income housing tax credits,
13 issuance of tax exempt bonds, and other funding sources in order for Sponsor to construct the
14 Broadway Project, MOHCD desires to provide a loan in the amount not to exceed
15 \$31,020,739 to the Sponsor pursuant to a Loan Agreement (“Agreement”) in substantially the
16 form on file with the Clerk of the Board in File No. 190146, and in such final form as approved
17 by the Director of MOHCD and the City Attorney; and

18 WHEREAS, The material terms of the Agreement also include: (i) a minimum term of
19 57 years; (ii) an interest rate of up to three percent (3%); (iii) annual repayment of the loan
20 through residual receipts from the Broadway Project; (iv) the Broadway Property shall be
21 restricted for no less than 57 years as affordable housing to low- and moderate-income
22 households with annual maximum rent and income established by MOHCD; (v) the loan shall
23 be secured by a deed of trust recorded against the Sponsor’s leasehold interest in the
24 Broadway Property; now, therefore, be it

1 RESOLVED, That the Board of Supervisors hereby adopts the findings contained
2 Resolution 264-18 regarding the FMND and MMRP under the California Environmental
3 Quality Act, and hereby incorporates such findings by reference as though fully set forth in this
4 Resolution; and, 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 the letter of the Planning Department Planning,
8 dated June 15, 2018, 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 approves the
11 Agreement and authorizes the Director of MOHCD or her designee to enter into any
12 amendments or modifications to the Agreement (including, without limitation, preparation and
13 attachment or, or changes to, any of all of the exhibits and ancillary agreements) and any
14 other documents or instruments necessary in connection therewith that the Director
15 determines, in consultation with the City Attorney, are in the best interest of the City, do not
16 materially increase the obligations or liabilities for the City or materially diminish the benefits of
17 the City, are necessary or advisable to effectuate the purposes and intent of this Resolution
18 and are in compliance with all applicable laws, including the City Charter; and, be it

19 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes and
20 delegates to the Director of MOHCD and/or the Director of Property, and their designees, the
21 authority to undertake any actions necessary to protect the City's financial security in the
22 Broadway Property and enforce the affordable housing restrictions, which may include,
23 without limitation, acquisition of the Broadway Property upon foreclosure and sale at a trustee
24 sale, acceptance of a deed in lieu of foreclosure, or curing the default under a senior loan;
25 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 Agreement being fully
5 executed by all parties, MOHCD shall provide the final Agreement to the Clerk of the Board
6 for inclusion into the official file.

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1 RECOMMENDED:

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Kate Hartley, Director
4 Mayor's Office of Housing and Community Development

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