

1 [Loan Agreement - SFCLT TNFF Holdings LLC - 2840-2848 Folsom Street, 4042-4048 Fulton  
2 Street, 568-570 Natoma Street, and 308 Turk Street - Not to Exceed \$18,800,000]

3 **Resolution approving and authorizing the Director of the Mayor’s Office of Housing**  
4 **and Community Development (“MOHCD”) to execute documents relating to a loan**  
5 **agreement with SFCLT TNFF Holdings LLC in an aggregate total amount not to**  
6 **exceed \$18,800,000 to finance the acquisition, rehabilitation, and permanent**  
7 **refinancing of four existing affordable multifamily rental housing projects for low- to**  
8 **moderate-income households, known as “SFCLT Scattered Sites,” consisting of a**  
9 **total of 36 rental units in four buildings located at 2840-2848 Folsom Street, 4042-**  
10 **4048 Fulton Street, 568-570 Natoma Street, and 308 Turk Street, and to construct one**  
11 **accessory dwelling unit at 4042-4048 Fulton Street, pursuant to the Small Sites**  
12 **Program (collectively, the “Project”); affirming the Planning Department’s**  
13 **determination under the California Environmental Quality Act; adopting findings that**  
14 **the Project and the proposed transactions are consistent with the General Plan, and**  
15 **the eight priority policies of Planning Code, Section 101.1; and authorizing the**  
16 **Director of MOHCD or his or her designee to execute the loan documents for the**  
17 **Project and make certain modifications to such loan documents, as defined herein,**  
18 **and take certain actions in furtherance of this Resolution, as defined herein.**

19  
20 WHEREAS, The City and County of San Francisco, acting through the Mayor’s  
21 Office of Housing and Community Development (“MOHCD”), administers a variety of  
22 housing programs that provide financing for the development of new housing and the  
23 rehabilitation of single- and multi-family housing for low- and moderate-income households  
24 in San Francisco; and

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

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

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

12           WHEREAS, Among its programs, MOHCD administers the Preservation and  
13 Seismic Safety Program (“PASS Program”), which provides low-cost and long-term  
14 financing for the acquisition, rehabilitation, and preservation of multi-family housing as well  
15 as seismic retrofits; the PASS Program plays a critical role in advancing the City’s anti-  
16 eviction and preservation strategies by providing access to a nimble source of financing not  
17 currently available on the conventional market; and

18           WHEREAS, SFCLT TNFF Holdings LLC, a California limited liability company (the  
19 “Borrower”), which is an affiliate of the San Francisco Community Land Trust, seeks to  
20 acquire, refinance, and rehabilitate 36 total units of affordable residential rental housing  
21 located at 2840-2848 Folsom Street, 4042-4048 Fulton Street, 568-570 Natoma Street, and  
22 308 Turk Street in San Francisco, California, and intends to construct one accessory  
23 dwelling unit at 4042-4048 Fulton Street in San Francisco, California (collectively, the  
24 “Project”); and

25

1           WHEREAS, The City previously provided several SSP loans to the San Francisco  
2 Community Land Trust, a California nonprofit public benefit corporation (“Original  
3 Borrower”) for the acquisition and rehabilitation of the Project; and

4           WHEREAS, The Borrower has agreed to assume the original SSP loans from the  
5 Original Borrower for the Project; and

6           WHEREAS, The Borrower has requested, and MOHCD desires to consent to, the  
7 consolidation and refinancing of the original SSP loans for the Project; and

8           WHEREAS, The Borrower has requested, and MOHCD desires to loan, up to  
9 \$4,733,902 in additional SSP funds, for a total SSP loan of up to \$13,800,000, and up to  
10 \$5,000,000 in new PASS Program funds for the Project; and

11           WHEREAS, On March 17, 2023, the Citywide Affordable Housing Loan Committee,  
12 consisting of representatives of MOHCD, the Department of Homelessness and Supportive  
13 Housing, the Office of Community Investment and Infrastructure, and the Controller’s Office  
14 of Public Finance, recommended approval to the Mayor of the acquisition, rehabilitation,  
15 and permanent refinancing loan for the Project in a total amount not to exceed  
16 \$18,800,000; and

17           WHEREAS, The form of loan documents (the “Loan Documents”) evidencing and  
18 securing the loan for the Project are on file with the Clerk of the Board in File No. 230508,  
19 and include: an Amended and Restated Declaration of Restrictions; an Amended and  
20 Restated Loan Agreement; one or more Promissory Notes; one or more Deeds of Trust;  
21 and a City Option to Purchase; and

22           WHEREAS, An Amended and Restated Declaration of Restrictions will restrict the  
23 Project as affordable housing to low- and moderate-income households with annual  
24 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 Declaration of Restrictions for the Project will not be subordinated  
4 to any third party financing instrument; and

5 WHEREAS, The Planning Department, by letter dated April 12, 2023 (“Planning  
6 Letter”), has determined that the proposed Project is not defined as a project under the  
7 California Environmental Quality Act (“CEQA”), Guidelines, Section 15378 and  
8 15060(c)(2), and is consistent, on balance, with the General Plan, and the eight priority  
9 policies of Planning Code, Section 101.1, which Planning Letter is on file with the Clerk of  
10 the Board of Supervisors in File No. 230508, and incorporated herein by this reference;  
11 now, therefore, be it

12 RESOLVED, That the Board of Supervisors hereby affirms the Planning  
13 Department’s determination under CEQA and finds that the Project is consistent, on  
14 balance, with the General Plan, and the eight priority policies of Planning Code, Section  
15 101.1 for the reasons set forth in the Planning Letter; and, be it

16 FURTHER RESOLVED, That the Board of Supervisors hereby approves the Loan  
17 Documents, and authorizes the Mayor and the Director of MOHCD or the Director’s  
18 designee to negotiate and enter into agreements based upon and substantially in the form  
19 of the Loan Documents for the Project (including, without limitation, modifications of the  
20 Loan Documents, and preparation and attachment of, or changes to, any of the exhibits  
21 and ancillary agreements) and any other documents or instruments necessary in  
22 connection therewith, that the Director of MOHCD determines, in consultation with the City  
23 Attorney, are in the best interest of the City, do not materially increase the obligations or  
24 liabilities for the City or materially diminish the benefits of the City, or are necessary or  
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1     advisable to effectuate the purposes and intent of this Resolution and are in compliance  
2     with all applicable laws, including the City Charter; and, be it

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

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

13            FURTHER RESOLVED, That within thirty (30) days of the Loan Documents being  
14     fully executed by all parties, MOHCD shall provide the Loan Agreement to the Clerk of the  
15     Board for inclusion into the official file.

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18            RECOMMENDED:

19            /s/ Eric D. Shaw

20            Eric D. Shaw

21            Director, Mayor's Office of Housing and Community Development  
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23  
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