

[Loan Agreement - SFCLT TNFF Holdings LLC - 2840-2848 Folsom Street, 4042-4048 Fulton Street, 568-570 Natoma Street, and 308 Turk Street - Not to Exceed \$18,700,481]

Resolution approving and authorizing the Director of the Mayor's Office of Housing and Community Development ("MOHCD") to execute documents relating to a loan agreement with SFCLT TNFF Holdings LLC in an aggregate total amount not to exceed \$18,700,481 to finance the acquisition, rehabilitation, and permanent refinancing of four existing affordable multifamily rental housing projects for low- to moderate-income households, known as "SFCLT Scattered Sites," consisting of a total of 36 rental units in four buildings located at 2840-2848 Folsom Street, 4042-4048 Fulton Street, 568-570 Natoma Street, and 308 Turk Street, and to construct one accessory dwelling unit at 4042-4048 Fulton Street, pursuant to the Small Sites Program (collectively, the "Project"); affirming the Planning Department's determination under the California Environmental Quality Act; adopting findings that the Project and the proposed transactions are consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and authorizing the Director of MOHCD or his or her designee to execute the loan documents for the Project and make certain modifications to such loan documents, as defined herein, and take certain actions in furtherance of this Resolution, as defined herein.

WHEREAS, The City and County of San Francisco, acting through the Mayor's Office of Housing and Community Development ("MOHCD"), administers a variety of housing programs that provide financing for the development of new housing and the rehabilitation of single- and multi-family housing for low- and moderate-income households 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 \$4,701,383 in additional SSP funds, for a total SSP loan of up to \$13,767,481, and up to
10 \$4,933,000 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 \$18,700,481; 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
25

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

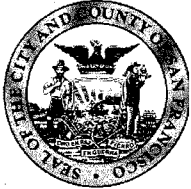
13 FURTHER RESOLVED, That within thirty (30) days of the Loan Documents being
14 fully executed by all parties, MOHCD shall provide the Loan Agreement to the Clerk of the
15 Board for inclusion into the official file.

16
17
18 RECOMMENDED:

19 /s/ Eric D. Shaw

20 Eric D. Shaw

21 Director, Mayor's Office of Housing and Community Development
22
23
24
25



City and County of San Francisco

Tails Resolution

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

File Number: 230508

Date Passed: May 23, 2023

Resolution approving and authorizing the Director of the Mayor's Office of Housing and Community Development ("MOHCD") to execute documents relating to a loan agreement with SFCLT TNFF Holdings LLC in an aggregate total amount not to exceed \$18,700,481 to finance the acquisition, rehabilitation, and permanent refinancing of four existing affordable multifamily rental housing projects for low- to moderate-income households, known as "SFCLT Scattered Sites," consisting of a total of 36 rental units in four buildings located at 2840-2848 Folsom Street, 4042-4048 Fulton Street, 568-570 Natoma Street, and 308 Turk Street, and to construct one accessory dwelling unit at 4042-4048 Fulton Street, pursuant to the Small Sites Program (collectively, the "Project"); affirming the Planning Department's determination under the California Environmental Quality Act; adopting findings that the Project and the proposed transactions are consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and authorizing the Director of MOHCD or his or her designee to execute the loan documents for the Project and make certain modifications to such loan documents, as defined herein, and take certain actions in furtherance of this Resolution, as defined herein.

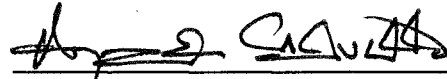
May 17, 2023 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE
WHOLE BEARING NEW TITLE

May 17, 2023 Budget and Finance Committee - RECOMMENDED AS AMENDED

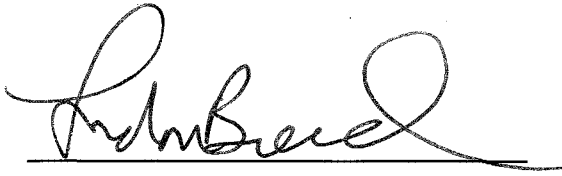
May 23, 2023 Board of Supervisors - ADOPTED

Ayes: 10 - Chan, Dorsey, Engardio, Mandelman, Peskin, Preston, Ronen, Safai,
Stefani and Walton
Excused: 1 - Melgar

I hereby certify that the foregoing
Resolution was ADOPTED on 5/23/2023 by
the Board of Supervisors of the City and
County of San Francisco.



Angela Calvillo
Clerk of the Board



London N. Breed
Mayor

5/26/23

Date Approved