

1 [Loan Agreement - Maceo May Apts, L.P. - 100% Affordable Housing at 401 Avenue of the
2 Palms - Not to Exceed \$24,255,000]

3 **Resolution approving and authorizing the execution of a Loan Agreement with Maceo**
4 **May Apts, L.P., a California limited partnership, in an amount not to exceed \$24,255,000**
5 **for a minimum term of 57 years, to finance the construction of a 100% affordable, 105-**
6 **unit multifamily rental housing development (plus one staff unit) for low and moderate**
7 **income veteran households at 401 Avenue of the Palms; and adopting findings that the**
8 **Loan Agreement is consistent with the General Plan, and the eight priority policies of**
9 **Planning Code, Section 101.1.**

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

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

20 WHEREAS, The Treasure Island Development Authority (“TIDA”) acquired real
21 property from the United States Navy at Treasure Island and Yerba Buena Island for the
22 purpose of developing residential and commercial building, including the development of 435
23 units of affordable housing by members of the Treasure Island Homeless Development
24 Initiative (the “Project”); and

1 WHEREAS, A Finding of Suitability was approved on February 15, 2006, and a Final
2 Environmental Impact Report (“EIR”) for the Treasure Island/Yerba Buena Island
3 Redevelopment Project was certified on April 21, 2011, by the Board of Supervisors under
4 Resolution 246-11, which Resolution is on file with the Clerk of the Board of Supervisors in
5 File No. 110328, and incorporated herein by this reference; and

6 WHEREAS, Mitigation measures were identified in the Treasure Island and Yerba
7 Buena Island Mitigation Monitoring and Reporting Program for the Project; and

8 WHEREAS, The Planning Commission determined that the Project, and the various
9 actions being taken by the City and TIDA to approve and implement the Project, are
10 consistent with the General Plan, and with the eight priority policies of Planning Code, Section
11 101.1, and made findings in connection therewith (the "General Plan Consistency
12 Determination"), a copy of which is on file with the Clerk of the Board of Supervisors in File
13 No. 110228 and is incorporated into this Resolution by reference; and

14 WHEREAS, The Board of Supervisors adopted findings contained in the General Plan
15 Consistency Determination as its own under Resolution No. 241-11, and said findings of
16 consistency with the General Plan, are on file with the Clerk of the Board of Supervisors in
17 File No. 110228, and incorporated into this Resolution by reference; and

18 WHEREAS, TIDA and Treasure Island Community Development, LLC, entered into
19 that certain Disposition and Development Agreement dated June 28, 2011 (the “DDA”), and
20 pursuant to the Housing Plan (Exhibit E) of the DDA, TIDA is committed to the development of
21 affordable housing; and

22 WHEREAS, TIDA is the fee owner of Assessor’s Parcel C3.2, San Francisco, also
23 known by its street address as “401 Avenue of the Palms” (the “Property”), a land parcel with
24 approximately 32,203 square feet area; and

1 WHEREAS, Chinatown Community Development Corporation, a California nonprofit
2 public benefit corporation (“CCDC) and Swords to Plowshares, a California nonprofit public
3 benefit corporation (“STP”) were selected by TIDA pursuant to the DDA to jointly develop a
4 100% affordable, supportive housing project with approximately 105 rental units for low-
5 income veteran households on the Property (the “Maceo Project”); and

6 WHEREAS, STP and CCDC established a separate entity named Maceo May Apts,
7 L.P., a California limited partnership (“Sponsor”) under which to lease the Maceo May
8 Property from TIDA and develop the Maceo Project; and

9 WHEREAS, On March 14, 2018, TIDA and Maceo May Apts, L.P. entered into an
10 Option to Lease Agreement for the purpose of development and construction of the Maceo
11 Project; and

12 WHEREAS, On November 15, 2019, the Citywide Affordable Housing Loan
13 Committee, consisting of MOHCD, Department of Homeless and Supportive Housing, and the
14 Office of Community Investment and Infrastructure, recommended approval to the Mayor of a
15 loan for the Maceo Project in an amount not to exceed \$24,255,000; and

16 WHEREAS, To leverage equity from an allocation of low-income housing tax credits,
17 issuance of tax exempt bonds, and other funding sources in order for Sponsor to construct the
18 Maceo Project, MOHCD desires to provide a loan in the amount not to exceed \$24,255,000 to
19 the Sponsor pursuant to a Loan Agreement (“Agreement”) in substantially the form on file with
20 the Clerk of the Board of Supervisors in File No. 191300, and in such final form as approved
21 by the Acting Director of MOHCD and the City Attorney; and

22 WHEREAS, The material terms of the Agreement include: (i) a minimum term of 57
23 years; (ii) an interest rate of up to one percent (1%); (iii) annual repayment of the loan through
24 residual receipts from the Maceo Project; (iv) the Maceo Property shall be restricted for the life
25 of the Project as affordable housing to low- and moderate-income veteran households with

1 annual maximum rent and income established by MOHCD; (v) the loan shall be secured by a
2 deed of trust recorded against the Sponsor's leasehold interest in the Maceo Property; now,
3 therefore, be it

4 RESOLVED, That the Board of Supervisors hereby finds that the Maceo Project is
5 consistent with the General Plan, and with the eight priority policies of Planning Code, Section
6 101.1 for the same reasons as set forth in the General Plan Consistency Determination; and,
7 be it

8 FURTHER RESOLVED, That the Board of Supervisors hereby approves the
9 Agreement and authorizes the Mayor and the Acting Director of MOHCD or his designee to
10 enter into any amendments or modifications to the Agreement (including, without limitation,
11 preparation and attachment or, or changes to, any of all of the exhibits and ancillary
12 agreements) and any other documents or instruments necessary in connection therewith that
13 the Acting Director determines, in consultation with the City Attorney, are in the best interest
14 of the City, do not materially increase the obligations or liabilities for the City or materially
15 diminish the benefits of the City, are necessary or advisable to effectuate the purposes and
16 intent of this Resolution and are in compliance with all applicable laws, including the City
17 Charter; and, be it

18 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes and
19 delegates to the Mayor and Acting Director of MOHCD, and his designee, the authority to
20 undertake any actions necessary to protect the City's financial security in the Maceo Property
21 and enforce the affordable housing restrictions, which may include, curing the default under a
22 senior loan; and, be it

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

1 FURTHER RESOLVED, That within thirty (30) days of the Agreement being fully
2 executed by all parties, MOHCD shall provide the final Agreement to the Clerk of the Board
3 for inclusion into the official file.

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Daniel Adams, Acting Director
Mayor's Office of Housing and Community Development