

1 [Loan Agreement - 2550 Irving Associates, L.P. - 100% Affordable Housing at 2550 Irving
2 Street - Not to Exceed \$14,277,516]

3 **Resolution approving and authorizing the Director of the Mayor's Office of Housing and**
4 **Community Development with 2550 Irving Associates, L.P. to execute loan documents**
5 **relating to a loan to provide financing for the acquisition of real property located at**
6 **2550 Irving Street, and predevelopment activities for a 100% affordable multifamily**
7 **rental building, in an aggregate amount not to exceed \$14,277,516; approving the form**
8 **of the loan agreement and ancillary documents; ratifying and approving any action**
9 **heretofore taken in connection with the property; granting general authority to City**
10 **officials to take actions necessary to implement this Resolution, as defined herein; and**
11 **finding that the loan is consistent the General Plan, and the priority policies of**
12 **Planning Code, Section 101.1.**

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

19 WHEREAS, MOHCD enters into loan agreements with affordable housing developers
20 for the purpose of acquiring and developing 100% affordable housing within the City; and

21 WHEREAS, The 2019 Affordable Housing Bond priorities include \$15 million each for
22 acquisition and predevelopment of low-income and senior housing production to achieve
23 geographic balance; and

24 WHEREAS, MOHCD published a Notice of Funding Availability for acquisition and
25 predevelopment financing on December 27, 2019, to finance site acquisition and

1 predevelopment activities for proposed affordable housing located in Districts 1, 2, 4, 7 and 8;
2 and

3 WHEREAS, Tenderloin Neighborhood Development Corporation, a California nonprofit
4 public benefit corporation, was recommended for an acquisition and predevelopment loan
5 under the NOFA, and established 2550 Irving Associates, L.P., a California limited partnership
6 (the “Borrower”) as an affiliate to acquire the Property and develop affordable housing; and

7 WHEREAS, The Borrower intends to acquire the real property located at 2550 Irving
8 Street, San Francisco (the “Property”) in order to develop a 100% affordable rental housing for
9 extremely-low, very-low, low-, and moderate-income households with studio, 1-bedroom, 2-
10 bedroom, and 3-bedroom units, and ancillary space for residential property staff offices and
11 social services support, and a community-serving space, to be commonly known as “2550
12 Irving;” and

13 WHEREAS, On April 2, 2021, the Citywide Affordable Housing Loan Committee
14 recommended approval to the Mayor of a loan in an amount not to exceed \$14,277,516 (the
15 “Loan”) to finance Borrower’s acquisition of the Property and predevelopment activities
16 associated with the development of affordable housing on the Property; and

17 WHEREAS, MOHCD desires to provide the Loan to the Borrower pursuant to a Loan
18 Agreement, a Secured Acquisition Promissory Note, a Secured Predevelopment Promissory
19 Note, Declaration of Restrictions, and a Deed of Trust (collectively, “Loan Documents”), in
20 substantially the form on file with the Clerk of the Board in File No. _____, and in such
21 final form as approved by the Director of MOHCD and the City Attorney; and

22 WHEREAS, The material terms of the Loan Documents include: (i) a term of 57 years;
23 (ii) an interest rate of up to three percent (3%); (iii) annual repayment of the loan through
24 residual receipts; (iv) the Property will be restricted for life of the project as 100% affordable
25 housing to lower- and moderate-income households with annual maximum rent and income

1 established by MOHCD; (v) the loan will be secured by a deed of trust recorded against the
2 Property; and (vi) if the Property cannot be developed within the time period required by
3 MOHCD's loan agreement time period, the City can require the Property to be transferred to
4 another nonprofit organization or conveyed to the City; and

5 WHEREAS, The Planning Department, through the General Plan Referral letter dated
6 June 21, 2021, found that the loan for the acquisition of the Property is not considered a
7 project under the California Environmental Quality Act ("CEQA", Pub. Resources Code,
8 Section 21000 et seq.) pursuant to CEQA Guidelines, Section 15060 and Chapter 31 of the
9 City's Administrative Code, and is consistent with the General Plan, and the eight priority
10 policies of Planning Code, Section 101.1; which letter is on file with the Clerk of the Board of
11 Supervisors in File No. _____, and incorporated herein by this reference; now, therefore, be
12 it

13 RESOLVED, This Board affirms the Planning Department's determination that the
14 proposed loan is consistent, on balance, with the General Plan, and with Planning Code,
15 Section 101.1 for the reasons set forth in the Director of Planning's letter; and, be it

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

