

1 [Loan Agreement - 4200 Geary Associates, L.P. - 100% Affordable Housing - 4200 Geary
2 Boulevard - Not to Exceed \$14,538,982]

3 **Resolution approving and authorizing the Director of the Mayor’s Office of Housing and**
4 **Community Development to execute loan documents relating to a loan to provide**
5 **financing for the acquisition of real property located at 4200 Geary Boulevard, and**
6 **predevelopment activities for the construction of a 100% affordable multifamily rental**
7 **housing project consisting of 98 units for senior households and ancillary commercial**
8 **space, known as 4200 Geary Boulevard, in an aggregate amount not to exceed**
9 **\$14,538,982; approving the form of the loan agreement and ancillary documents;**
10 **ratifying and approving any action heretofore taken in connection with the project;**
11 **granting general authority to City Officials to take actions necessary to implement this**
12 **Resolution, as defined herein; and finding that the loan is consistent the General Plan,**
13 **and the eight priority policies of Planning Code, Section 101.1.**

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

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

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

1 WHEREAS, MOHCD published a Notice of Funding Availability for acquisition and
2 predevelopment financing on December 27, 2019, to finance site acquisition and
3 predevelopment activities for proposed affordable housing projects located in Districts 1, 2, 4,
4 7 and 8; and

5 WHEREAS, Tenderloin Neighborhood Development Corporation, a California nonprofit
6 public benefit corporation, was recommended for an acquisition and predevelopment loan
7 under the NOFA, and established 4200 Geary Associates, L.P., a California limited
8 partnership (the “Borrower”) as an affiliate to acquire and develop affordable housing; and

9 WHEREAS, The Borrower intends to acquire the real property located at 4200 Geary
10 Boulevard, San Francisco (the “Property”) in order to develop a 100% affordable rental
11 housing project for extremely-low, very-low, low-, and moderate-income senior households
12 with studio and 1-bedroom units, and ancillary space for residential property staff offices, a
13 community-serving space, and ancillary commercial space, to be commonly known as “4200
14 Geary” (the “Project”); and

15 WHEREAS, On January 22, 2021, the Citywide Affordable Housing Loan Committee
16 recommended approval to the Mayor of a loan for Project in an amount not to exceed
17 \$14,538,982 (the “Loan”) to finance Borrower’s acquisition of the Property and
18 predevelopment activities associated with the development of the Project; and

19 WHEREAS, MOHCD desires to provide the Loan to the Borrower pursuant to a Loan
20 Agreement, a Secured Acquisition Promissory Note, a Secured Predevelopment Promissory
21 Note, Declaration of Restrictions, and a Deed of Trust (collectively, “Loan Documents”), in
22 substantially the form on file with the Clerk of the Board in File No. 210363, and in such final
23 form as approved by the Director of MOHCD and the City Attorney; and

24 WHEREAS, The material terms of the Loan Documents include: (i) a minimum term of
25 57 years; (ii) an interest rate of up to three percent (3%); (iii) annual repayment of the loan

1 through residual receipts from the completed Project; (iv) the Property will be restricted for life
2 of the project as 100% affordable housing to low- and moderate-income senior households
3 with annual maximum rent and income established by MOHCD; (v) the loan will be secured by
4 a deed of trust recorded against the Property; and (vi) if the Property cannot be developed
5 within the time period required by MOHCD's loan agreement time period, the City may require
6 the Property to be transferred to another nonprofit organization or conveyed to the City; and

7 WHEREAS, The Planning Department has determined the Project is eligible for
8 affordable housing streamlined approval under California Senate Bill 35 (SB-35) (California
9 Government Code Section 65913.4), and therefore does not require CEQA analysis, as
10 provided in the Planning Department's Notice of Final Approval of an SB 35 Project dated
11 January 20, 2021 (BPA No. 2020.0940.5561 and 2020.0930.5565); and

12 WHEREAS, By letter dated March 5, 2021, the Planning Department found the Project
13 to be consistent with the General Plan, and with the eight priority policies under Planning
14 Code, Section 101.1;

15 WHEREAS, The City intends to enter into a purchase and sale agreement at
16 construction loan closing and enter into a ground lease with the Borrower; now, therefore, be
17 it

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

21 FURTHER RESOLVED, That the Board of Supervisors hereby approves the Loan
22 Documents, and authorizes the Director of MOHCD or the Director's designee to enter into
23 the Loan Documents for of the Project, including, without limitation, modifications of the Loan
24 Documents, and preparation and attachment of, or changes to, any of all of the exhibits and
25 ancillary agreements, and any other documents or instruments necessary in connection

1 therewith, that the Director determines, in consultation with the City Attorney, are in the best
2 interest of the City, do not materially increase the obligations or liabilities for the City or
3 materially diminish the benefits of the City, or are necessary or advisable to effectuate the
4 purposes and intent of this Resolution and are in compliance with all applicable laws,
5 including the City Charter; and, be it

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

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

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

18

19 RECOMMENDED:

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21 /s/
Eric D. Shaw, Director
22 Mayor's Office of Housing and Community Development
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: 210363

Date Passed: April 27, 2021

Resolution approving and authorizing the Director of the Mayor's Office of Housing and Community Development to execute loan documents relating to a loan to provide financing for the acquisition of real property located at 4200 Geary Boulevard, and predevelopment activities for the construction of a 100% affordable multifamily rental housing project consisting of 98 units for senior households and ancillary commercial space, known as 4200 Geary Boulevard, in an aggregate amount not to exceed \$14,538,982; approving the form of the loan agreement and ancillary documents; ratifying and approving any action heretofore taken in connection with the project, as defined herein; granting general authority to City Officials to take actions necessary to implement this Resolution, as defined herein; and finding that the loan is consistent the General Plan, and the eight priority policies of Planning Code, Section 101.1.

April 21, 2021 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

April 21, 2021 Budget and Finance Committee - RECOMMENDED AS AMENDED

April 27, 2021 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Haney, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 210363

I hereby certify that the foregoing Resolution was ADOPTED on 4/27/2021 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

4.30.21

Date Approved