Resolution approving and authorizing the Director of the Mayor's Office of Housing and Community Development to execute documents relating to a loan to provide financing for predevelopment activities for the construction of a 100% affordable 137-unit multifamily rental housing project known as 4840 Mission, including the payoff of an acquisition loan, completion of additional architectural design and design consultant work, and other predevelopment activities, in an aggregate amount not to exceed $18,510,000; approving the form of and authorizing the execution of a first amendment to the loan agreement, an amended and restated promissory note, and an amendment to the deed of trust; 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 with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

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 affordable housing and the rehabilitation of single- and multi-family housing for low- and moderate-income households and resources for homeowners in San Francisco; and

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

WHEREAS, 4840 Mission Housing Associates LP, a California limited partnership (the "Borrower"), an affiliate of nonprofit housing developer BRIDGE Housing Corporation, a
California nonprofit public benefit corporation, has acquired the property commonly known as 4840 Mission Street (the “Property”) in order to develop a 100% affordable rental housing project for extremely-low, very-low, low-, and moderate-income households with 1-, 2-, and 3-bedroom units, and ancillary space for residential property staff offices, a community-serving space, and commercial space, a portion of which is intended to be occupied by Mission Neighborhood Health Center, to be commonly known as “4840 Mission” (the “Project”); and

WHEREAS, MOHCD provided Borrower with a predevelopment loan of $6,000,000 to finance, in part, Borrower’s acquisition of the Property and predevelopment due diligence associated with the development of the Project, which loan was evidenced by a loan agreement, secured promissory note, and declaration of restrictions, and secured by a deed of trust; and

WHEREAS, Borrower also received a loan from the San Francisco Housing Accelerator Fund (“SFHAF”) to fund the acquisition of the Property; and

WHEREAS, Borrower has requested the City to provide additional financing to Borrower to pay off their acquisition loan, complete architectural design and design consultant work and other predevelopment activities work for the construction of the Project; and

WHEREAS, MOHCD has reviewed the request for funding application and has determined that paying off Borrower’s acquisition loan from SFHAF will reduce the cost of the Project, and therefore recommended approval of Borrower’s loan request; and

WHEREAS, On September 6, 2019, the Citywide Affordable Housing Loan Committee recommended approval to the Mayor of a loan for Project in an amount not to exceed $18,510,000 (the “Loan”); and

WHEREAS, MOHCD desires to provide the Loan to the Borrower pursuant to a Loan Agreement as amended by a First Amendment to Loan Agreement, an Amended and Restated Promissory Note, and an amendment to the Deed of Trust (collectively, “Loan Agreement”).
Documents"), in substantially the form on file with the Clerk of the Board in File No. 190934 and in such final form as approved by the Director of MOHCD and the City Attorney; and

WHEREAS, The material terms of the Loan Documents include: (i) a minimum term of 57 years; (ii) an interest rate of up to 3%; (iii) annual repayment of the loan through residual receipts from the completed Project; (iv) the residential part of the Property will be restricted for no less than 57 years as 100% affordable housing to low- and moderate-income households with annual maximum rent and income established by MOHCD; (v) the loan will be secured by a deed of trust recorded against the Property; and

WHEREAS, The Planning Department has determined the Project is eligible for affordable housing streamlined approval under California Senate Bill 35 (SB-35) (California Government Code Section 65913.4), and therefore does not require CEQA analysis, as provided in the Planning Department’s Notice of Final Approval of an SB 35 Project dated July 2, 2019 (BPA No. 2019.0319.5605); and

WHEREAS, By letter dated June 14, 2019, the Planning Department found the Project to be consistent with the General Plan, and with the Eight Priority Policies under Planning Code, Section 101.1; now, therefore, be it

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

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

Mayor Breed; Supervisor Safai
BOARD OF SUPERVISORS
therewith, that the Director determines, in consultation with the City Attorney, are in the best
interest of the City, do not materially increase the obligations or liabilities for the City or
materially diminish the benefits of the City, or are necessary or advisable to effectuate the
purposes and intent of this Resolution and are in compliance with all applicable laws,
including the City Charter; and, be it

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

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

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

RECOMMENDED:

Daniel Adams, Acting Director
Mayor’s Office of Housing and Community Development
Resolution approving and authorizing the Director of the Mayor's Office of Housing and Community Development to execute documents relating to a loan to provide financing for predevelopment activities for the construction of a 100% affordable 137-unit multifamily rental housing project known as 4840 Mission, including the payoff of an acquisition loan, completion of additional architectural design and design consultant work, and other predevelopment activities, in an aggregate amount not to exceed $18,510,000; approving the form of and authorizing the execution of a first amendment to the loan agreement, an amended and restated promissory note, and an amendment to the deed of trust; 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 with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

September 25, 2019 Budget and Finance Committee - AMENDED

September 25, 2019 Budget and Finance Committee - RECOMMENDED AS AMENDED

October 01, 2019 Board of Supervisors - ADOPTED

Ayes: 11 - Brown, Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani, Walton and Yee

I hereby certify that the foregoing Resolution was ADOPTED on 10/1/2019 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board