[Loan Agreement - MEDA Precita Small Properties, LLC - Finance Acquisition, Rehabilitation, and Permanent Financing for Various Properties - Not to Exceed \$37,820,766]

Resolution approving and authorizing the Mayor and the Director of the Mayor's Office of Housing and Community Development ("MOHCD") to execute loan documents relating to a loan with MEDA Precita Small Properties, LLC in a total amount not to exceed \$37,820,766 to finance the acquisition, rehabilitation, and permanent financing of fifteen multifamily rental housing buildings for low- to moderate-income households, consisting of a total of 89 residential rental units and nine ancillary commercial units, located at 3329-3333 20th Street, 3182-3198 24th Street, 3353-26th Street, 1500 Cortland Avenue, 35 Fair Avenue, 3840 Folsom Street, 642-646 Guerrero Street, 63-67 Lapidge Street, 2217-2221 Mission Street, 3800 Mission Street, 19-23 Precita Avenue, 344-348 Precita Avenue, 269-271 Richland Avenue, 380 San Jose Avenue, and 1015 Shotwell 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

WHEREAS, The funding for these loans and grants comes from a variety of sources, all of which are restricted to affordable housing and are subject to various housing program restrictions; and

WHEREAS, Among its programs, MOHCD administers the Small Sites Program ("SSP") for the purpose of preserving and stabilizing San Francisco's existing rental housing stock of buildings, and converting properties to permanently affordable housing; and

WHEREAS, The Citywide Affordable Housing Loan Committee approved revised SSP Guidelines on September 9, 2022, and November 4, 2022, which consider sites with over 40 residential units, subject to achievement of minimum scoring criteria per the SSP Scoring Rubric; and

WHEREAS, MEDA Precita Small Properties, LLC, a California limited liability company (the "Borrower"), which is an affiliate of the Mission Economic Development Agency, a California nonprofit public benefit corporation, seeks to acquire, rehabilitate, and permanently finance 89 total units of affordable residential rental housing and nine ancillary commercial units within 15 separate buildings located at 3329-3333 20th Street, 3182-3198 24th Street, 3353-26th Street, 1500 Cortland Avenue, 35 Fair Avenue, 3840 Folsom Street, 642-646 Guerrero Street, 63-67 Lapidge Street, 2217-2221 Mission Street, 3800 Mission Street, 19-23 Precita Avenue, 344-348 Precita Avenue, 269-271 Richland Avenue, 380 San Jose Avenue, and 1015 Shotwell Street in San Francisco, California (collectively, the "Project"); and

WHEREAS, The City previously provided multiple SSP loans in the aggregate amount of \$31,580,766 ("Original SSP Loans") to the owners of the Project ("Original Owners") for the acquisition and rehabilitation of the Project; and

WHEREAS, The Borrower has agreed to acquire the parts of the Project that is does not yet own and assume the Original SSP Loans from the Original Owners for the Project; and

WHEREAS, The Borrower has requested, and MOHCD desires to consent to, the consolidation and refinancing of the Original SSP Loans; and

WHEREAS, The Borrower has requested, and MOHCD desires to loan up to \$6,240,000 in new SSP funds for the Project; and

WHEREAS, On September 19, 2025, the Citywide Affordable Housing Loan Committee, consisting of representatives of MOHCD, the Department of Homelessness and Supportive Housing, the Office of Community Investment and Infrastructure, and the Controller's Office of Public Finance, recommended approval to the Mayor of the acquisition, rehabilitation, and permanent financing loan for the Project in a total amount not to exceed \$37,820,766 under the Small Sites Program; and

WHEREAS, The form of loan documents evidencing and securing the loan for the Project are on file with the Clerk of the Board in File No. 251009, and include: a Loan Agreement, Amended and Restated Declarations of Restrictions for each building in the Project; one or more Promissory Notes; a City Option to Purchase; and one or more Deeds of Trust (all of the foregoing, collectively, the "Loan Documents"); and

WHEREAS, An Amended and Restated Declaration of Restrictions for each building will restrict the Project as affordable housing to low- and moderate-income households with annual maximum rent and income established by MOHCD for as long as the Project or any

modification of the Project remains in existence, but in any event no event less than 99 years; and

WHEREAS, The Amended and Restated Declarations of Restrictions for the Project will not be subordinated to any third party financing instrument; and

WHEREAS, The Borrower and the City will also enter into a Purchase Option
Agreement enforcing the terms of the Amended and Restated Declaration of Restrictions
and providing the City the option to purchase the Project if the Borrower elects to sell the
Project; and

WHEREAS, The Planning Department, by letter dated September 23, 2025 ("Planning Letter"), has determined that the proposed Project is not defined as a project under the California Environmental Quality Act ("CEQA"), Guidelines, Section 15378 and 15060(c)(2), and is consistent, on balance, with the General Plan, and the eight priority policies of Planning Code, Section 101.1, which Planning Letter is on file with the Clerk of the Board of Supervisors in File No. 251009, and incorporated herein by this reference; now, therefore, be it

RESOLVED, That the Board of Supervisors hereby affirms the Planning Department's determination under CEQA and finds that the Project is consistent, on balance, with the General Plan, and the eight priority policies of Planning Code, Section 101.1 for the reasons set forth in the Planning Letter; and, be it

FURTHER RESOLVED, That the Board of Supervisors hereby approves the Loan Documents, and authorizes the Mayor and the Director of MOHCD (or the Director's designee) to negotiate and enter into agreements based upon and substantially in the form of the Loan Documents for the Project (including, without limitation, modifications of the Loan Documents, and preparation and attachment of, or changes to, any of the exhibits and ancillary agreements) and any other documents or instruments necessary in

connection therewith, that the Director of MOHCD 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 documents to the Clerk of the Board for inclusion into the official file.

RECOMMENDED:

/s/

**Daniel Adams** 

Director, Mayor's Office of Housing and Community Development



## City and County of San Francisco Tails Resolution

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

File Number:

251009

Date Passed: October 28, 2025

Resolution approving and authorizing the Mayor and the Director of the Mayor's Office of Housing and Community Development ("MOHCD") to execute loan documents relating to a loan with MEDA Precita Small Properties, LLC in a total amount not to exceed \$37,820,766 to finance the acquisition, rehabilitation, and permanent financing of fifteen multifamily rental housing buildings for low- to moderate-income households, consisting of a total of 89 residential rental units and nine ancillary commercial units, located at 3329-3333 20th Street, 3182-3198 24th Street, 3353-26th Street, 1500 Cortland Avenue, 35 Fair Avenue, 3840 Folsom Street, 642-646 Guerrero Street, 63-67 Lapidge Street, 2217-2221 Mission Street, 3800 Mission Street, 19-23 Precita Avenue, 344-348 Precita Avenue, 269-271 Richland Avenue, 380 San Jose Avenue, and 1015 Shotwell 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.

October 22, 2025 Budget and Finance Committee - RECOMMENDED

October 28, 2025 Board of Supervisors - ADOPTED

Ayes: 10 - Chan, Chen, Dorsey, Fielder, Mahmood, Mandelman, Melgar, Sauter, Sherrill and Walton

I hereby certify that the foregoing Resolution was ADOPTED on 10/28/2025 by the Board of Supervisors of the City and County of San Francisco.

> Angela Calvillo Clerk of the Board

Daniel Lurie Mayor Date Approved