

1 [Loan Agreement - 1155 Ellis GP LLC - Small Sites Program - 1135, 1155 and 1175 Ellis  
2 Street - Not to Exceed \$50,600,000]

3 **Resolution approving and authorizing the Director of the Mayor's Office of Housing and**  
4 **Community Development ("MOHCD") to execute loan documents for the permanent**  
5 **financing of 1135, 1155 and 1175 Ellis Street with 1155 Ellis GP LLC, pursuant to the**  
6 **Small Sites Program and the Preservation and Seismic Safety Program, for a total loan**  
7 **amount not to exceed \$50,600,000; confirming the Planning Department's**  
8 **determination under the California Environmental Quality Act; finding that the loan is**  
9 **consistent with the General Plan, and the eight priority policies of Planning Code,**  
10 **Section 101.1; and authorizing the Director of MOHCD or their designee to make certain**  
11 **modifications to the loan documents, and take certain actions in furtherance of this**  
12 **Resolution, as defined herein.**

13  
14 WHEREAS, The City and County of San Francisco, through the Mayor's Office of  
15 Housing and Community Development ("MOHCD"), is a leader in the creation and  
16 preservation of affordable housing, offering a variety of loan and grant programs to  
17 community-based organizations and housing developers to create and maintain affordable  
18 housing and provide essential community and supportive services; and

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

22 WHEREAS, Among its programs, MOHCD administers the Small Sites Program (or  
23 "SSP") for the purpose of preserving and stabilizing San Francisco's existing rental housing  
24 stock of buildings, and converting those properties to permanently affordable housing; and  
25

1           WHEREAS, MOHCD also administers the Preservation and Seismic Safety Program  
2 (“PASS Program”), which provides low-cost and long-term financing for the acquisition,  
3 rehabilitation, and preservation of multi-family housing as well as seismic retrofits. The Small  
4 Sites Program and the PASS Program play critical roles in advancing the City’s anti-eviction  
5 and preservation strategies by providing access to flexible sources of financing not currently  
6 available on the conventional market; and

7           WHEREAS, Tenderloin Neighborhood Development Corporation (“TNDC”) is a  
8 nonprofit affordable housing developer that applied and was selected to receive SSP and  
9 PASS Program funding under MOHCD’s Notice of Funding Availability published on  
10 September 13, 2019, a TNDC controlled limited liability corporation, 1155 Ellis GP LLC  
11 (“Borrower”), will acquire property located at 1135, 1155 and 1175 Ellis Street in San  
12 Francisco’s Western Addition neighborhood that is improved with a 108-unit building,  
13 including 78 studio units and 30 one-bedroom units (the “Project”); and

14           WHEREAS, Borrower has requested, and MOHCD desires to loan, up to \$28,757,872  
15 in SSP funds and up to \$21,842,128 in new PASS Program funds for acquisition of the Project  
16 for a total loan amount of up to \$50,600,000, which will add 108 units of permanently  
17 affordable housing to San Francisco’s housing stock; and

18           WHEREAS, On November 1, 2024, the Citywide Affordable Housing Loan Committee,  
19 consisting of representatives of MOHCD, the Department of Homelessness and Supportive  
20 Housing, the Office of Community Investment and Infrastructure, and the Controller’s Office of  
21 Public Finance recommended approval to the Mayor of a permanent loan for the Project in an  
22 amount not to exceed \$50,600,000; and

23           WHEREAS, The form of loan documents (the “Loan Documents”) evidencing and  
24 securing the SSP Program loan for the Project are on file with the Clerk of the Board in File  
25 No. 250142, and include: a Declaration of Restrictions restricting the Project to affordable

1 housing; a Loan Agreement; a City Option to Purchase; Promissory Notes; and Deeds of  
2 Trust; and

3 WHEREAS, A Declaration of Restrictions will restrict the Project as affordable housing  
4 to low- and moderate-income households with annual maximum rent and income established  
5 by MOHCD as long as all or any portion of the building remains on the property, but in no  
6 event less than 99 years; and

7 WHEREAS, The Declaration of Restrictions for the Project will not be subordinated to  
8 any third party financing instrument; and

9 WHEREAS, The Planning Department, by letter dated January 27, 2025, determined  
10 that the proposed Project loan is not defined as a project under the California Environmental  
11 Quality Act ("CEQA") [Pub. Resources Code, Section 21000 et seq.] pursuant to CEQA  
12 Guidelines Sections 15301 and Chapter 31 of the City's Administrative Code, because it  
13 would not result in a direct or indirect physical change in the environment, and is consistent,  
14 on balance, with the General Plan, and the eight priority policies of Planning Code,  
15 Section 101.1, which letter is on file with the Clerk of the Board of Supervisors in File  
16 No. 250142, and incorporated herein by this reference; now, therefore, be it

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

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

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

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

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

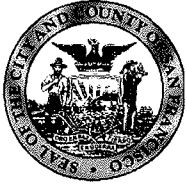
16 FURTHER RESOLVED, That within thirty (30) days of the Loan Documents being fully  
17 executed by all parties, MOHCD shall provide the Loan Agreement to the Clerk of the Board  
18 for inclusion into the official file.

19  
20  
21 RECOMMENDED:

22 /s/ Daniel Adams

23 Daniel Adams

24 Director, Mayor's Office of Housing and Community Development  
25



City and County of San Francisco  
Tails  
Resolution

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

File Number: 250142

Date Passed: March 04, 2025

Resolution approving and authorizing the Director of the Mayor's Office of Housing and Community Development ("MOHCD") to execute loan documents for the permanent financing of 1135, 1155 and 1175 Ellis Street with 1155 Ellis GP LLC, pursuant to the Small Sites Program and the Preservation and Seismic Safety Program, for a total loan amount not to exceed \$50,600,000; confirming the Planning Department's determination under the California Environmental Quality Act; finding that the loan is consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and authorizing the Director of MOHCD or their designee to make certain modifications to the loan documents, and take certain actions in furtherance of this Resolution, as defined herein.

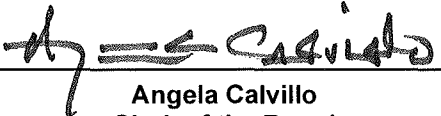
February 26, 2025 Budget and Finance Committee - RECOMMENDED

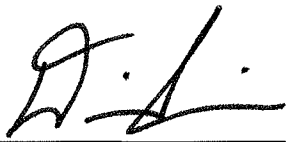
March 04, 2025 Board of Supervisors - ADOPTED

Ayes: 10 - Chan, Chen, Dorsey, Engardio, Mahmood, Mandelman, Melgar, Sauter, Sherrill and Walton  
Excused: 1 - Fielder

File No. 250142

I hereby certify that the foregoing Resolution was ADOPTED on 3/4/2025 by the Board of Supervisors of the City and County of San Francisco.

  
Angela Calvillo  
Clerk of the Board

  
Daniel Lurie  
Mayor

3/7/25  
Date Approved