

**COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE**

**RESOLUTION NO. 02-2026**

*Adopted February 3, 2026*

**AUTHORIZING THE COMMITMENT OF PERMANENT GAP LOAN FUNDS IN AN AMOUNT OF APPROXIMATELY \$89,600,000 TO MISSION BAY 4 EAST ASSOCIATES, L.P. FOR THE DEVELOPMENT OF 165 AFFORDABLE RENTAL HOUSING UNITS (INCLUDING TWO MANAGER’S UNITS) AT MISSION BAY SOUTH BLOCK 4 EAST, PHASE I; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA**

WHEREAS, The former Redevelopment Agency of the City and County of San Francisco (“Former Agency”) Commission approved the Redevelopment Plan for the Mission Bay South Redevelopment Project (“Redevelopment Plan”) by Resolution No. 190-98 (Sept. 17, 1998). Concurrently, the Former Agency Commission conditionally authorized execution of an Owner Participation Agreement (“OPA”) with Catellus Development Corporation, a Delaware corporation (“Catellus”), by Resolution No. 193-98. The San Francisco Board of Supervisors adopted the Redevelopment Plan by Ordinance No. 335-98 (Nov. 2, 1998) and amended it by Ordinance Nos. 143-13 (July 9, 2013), 032-18 (Mar. 6, 2018), 128-20 (July 31, 2020), 209-20 (Oct. 1, 2020) and 014-21 (Feb. 12, 2021); and,

WHEREAS, FOCIL-MB, LLC, (“FOCIL-MB”), a subsidiary of Farallon Capital Management, LLC, assumed all of Catellus’s obligations under the OPA, as well as all responsibilities under the related public improvement agreements and land transfer agreements with the City and County of San Francisco. FOCIL-MB and its Transferees are bound by the OPA and related agreements, including the requirements of the affordable housing program; and,

WHEREAS, On February 1, 2012, state law dissolved all redevelopment agencies, including the Former Agency, and created successor agencies to complete the enforceable obligations of the former redevelopment agencies and to wind down redevelopment affairs. California Health and Safety Code §§ 34170 *et seq.* (the “Redevelopment Dissolution Law”); and,

WHEREAS, The Successor Agency to the Former Agency (commonly known as the Office of Community Investment and Infrastructure) (the “Successor Agency” or “OCII”) is completing the enforceable obligations of the Former Agency in the Mission Bay South Redevelopment Project Area, consistent with the Redevelopment Dissolution Law and San Francisco Ordinance No. 215-12 (Oct. 4, 2012) (establishing the Successor Agency Commission (“Commission”) and delegating to the Commission the state authority under the Redevelopment Dissolution Law); and,

WHEREAS, On January 24, 2014, the California Department of Finance (“DOF”) determined “finally and conclusively” that the OPA, including its affordable housing obligations and tax allocation pledge agreement, is an enforceable obligation under the Redevelopment Dissolution Law; and,

WHEREAS, Under the OPA and its Mission Bay South Housing Program, the Master Developer is obligated to transfer to the Successor Agency “building ready” land so that the Successor Agency may develop affordable housing. The OPA identifies in Exhibit F to the Mission Bay South Housing Program the specific parcels that the Successor Agency is required to develop with affordable housing. Included in this map of Agency Affordable Housing Parcels (as defined in the OPA) is the property commonly known as Mission Bay South Block 4 East (“MBS 4E”) on a parcel identified as Assessor’s Block 8711, Lot 029B of that certain Final Tract Map No. 3936 recorded on February 22, 2006 and filed on pages 54-58 in Book BB of the Official Records of the City and County of San Francisco; and,

WHEREAS, On September 3, 2024, by Resolution No. 30-2024, the OCII Commission authorized the Executive Director to enter into an Exclusive Negotiations Agreement (“ENA”) and Loan Agreement with an affiliate of Curtis Development and Bayview Senior Services (together, the “Developer”), to undertake predevelopment activities on MBS 4E. The ENA and Loan Agreement established that the Developer intended to pursue development of MBS 4E with two distinct projects to be completed in two phases and provided funding of up to \$5,111,731 to finance predevelopment costs for affordable housing (the “Original Loan”); and,

WHEREAS, The Developer evaluated MBS 4E and proposed two separate buildings with MBS 4E split equally between the two. The combined program will provide a total of 398 residential units and approximately 1,253 square feet of retail space. The proposed building on the southern half of MBS 4E includes 165 rental housing units (163 affordable units and two unrestricted manager’s units) that will serve low-income households and households experiencing homelessness, resident-serving open spaces and amenities, resident and staff parking, and an approximately 1,253 square foot retail space (the “Phase I Project”). The Phase I Project is consistent with the Redevelopment Plan and OPA; and,

WHEREAS, The proposed building on the northern half of MBS 4E includes 233 rental housing units (231 affordable units and two unrestricted manager’s units) that will serve low-income households and households experiencing homelessness, resident serving open spaces and amenities, and resident and staff parking (the “Phase II Project”). The Phase II Project is subject to final approval of amendments to the Redevelopment Plan and OPA and is not the subject of this Resolution; and,

WHEREAS, On November 18, 2025, by Resolution No. 29-2025, the Commission conditionally approved the Basic Concept and Schematic Design for the Phase I Project, along with related approval actions; and,

WHEREAS, On January 30, 2025, by Resolution No. 01-2025, the Successor Agency Oversight Board approved an expenditure for funding in an amount of up to \$99,009,190 for the Phase I Project in Item No. 436 of the Recognized Obligation Payment Schedule for the period of July 1, 2025 through June 30, 2026 (“ROPS 25-26”). On April 11, 2025, DOF provided final approval of ROPS 25-26; and,

- WHEREAS, On August 6, 2025, the Oversight Board approved, by Resolution No. 2-2025, the issuance of new money tax allocation bonds that included funding for the Phase I Project. On October 1, 2025, DOF approved the Oversight Board's authorization of the bond issuance, Letter, C. McCormick to M.Yu; and,
- WHEREAS, On December 18, 2025, the bonds for the Phase I Project closed and OCII received the funds necessary to fulfill the commitment of funds under this Resolution; those funds remain available for the Phase I Project; and,
- WHEREAS, On January 23, 2026 the Citywide Affordable Housing Loan Committee recommended approval of OCII subsidy for the Phase I Project in a total aggregate amount of up to \$95,600,000, which includes permanent gap loan funds (including the Phase I Project portion of the Original Loan as well as additional predevelopment funds), a potential short term bridge loan for anticipated Federal Home Loan Bank Affordable Housing Program funds, and a potential short-term loan to fund a liquidity reserve during the construction period; and,
- WHEREAS, The Developer now requests, and OCII staff recommends, that the Commission authorize the commitment of permanent gap loan funds for the Phase I Project. The amount of the requested commitment is approximately \$89,600,000. This commitment amount may vary as the Developer updates costs and refinance financial assumptions, however, the overall OCII Phase I Project funding will total to an amount at or below the amount allocated for the Project in the FY 25-26 ROPS. The funding commitment is subject to the subsequent Commission approvals of an amended and restated loan agreement and a long-term ground lease substantially in the forms standard to typical OCII affordable housing projects; and,
- WHEREAS, The requested commitment is necessary to demonstrate that the Developer has secured local funds for purposes of its March 2026 application for California Housing Finance Agency Mixed Income Program funds and May 2026 application for Federal Low Income Housing Tax Credits and a tax-exempt bond allocation, both critical financing sources for the Phase I Project; and,
- WHEREAS, Concurrently with this request, the Developer is seeking Commission authorization (by Resolution No. 03-2026) of a loan agreement in an amount of \$5,000,000 with Mission Bay 4 Associates, L.P., a California limited partnership, an affiliate of the Developer, to fund predevelopment activities to advance development of the Phase I Project. The funding amount includes previously-expended funds under the Original Loan for the Phase I Project; and,
- WHEREAS, Additionally, concurrently with this request, the Developer is seeking Commission authorization (by Resolution No. 04-2026) of a loan agreement with Mission Bay 4 East Associates 2, L.P., a California limited partnership, an affiliate of Curtis Development and Bayview Senior Services, to fund predevelopment activities to advance the development of the Phase II Project. The funding amount is inclusive of funds expended under the Original Loan in furtherance of the Phase II Project; and,

WHEREAS, OCII's remaining approvals for the Phase I Project include approval of the Conditions of Approval to the Basic Concept and Schematic Design under Resolution No. 29-2025 (Nov. 18, 2025), a permanent loan agreement and long-term ground lease; and,

WHEREAS, As described in the Commission Memorandum accompanying this Resolution, OCII has determined that the funding commitment is statutorily exempt from the California Environmental Quality Act under Section 21080.40 of the California Public Resources Code as actions in furtherance of an affordable housing project dedicating all of its residential units to lower income households; now, therefore be it,

RESOLVED, That the Commission commits, subject to final Commission approval of a amended and restated loan agreement, permanent gap funding in an amount of approximately \$89,600,000 to Mission Bay 4 East Associates, L.P., a California limited partnership, for the development of 165 affordable rental housing units (including two manager's units) at Mission South Block 4 East, Phase I and authorizes the Executive Director to: (i) affirm this commitment in a letter, form, or other format as deemed necessary for purposes of applications for financing; (ii) adjust the amount of the commitment so long as the aggregate funding for the Phase I Project is at or below the amount allocated for the Phase I Project in the FY 25-26 ROPS; and (iii) to take any additional actions necessary to consummate the commitment contemplated by this Resolution.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of February 3, 2026.

  
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Commission Secretary