

**COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE**

**RESOLUTION NO. 45-2021**

*Adopted December 7, 2021*

**AUTHORIZING A FIRST AMENDMENT TO THE MISSION BAY SOUTH HOUSING LOAN AGREEMENT IN THE AMOUNT OF \$1,500,000 FOR A TOTAL AMOUNT NOT TO EXCEED OF \$5,000,000 WITH 350 CHINA BASIN PARTNERS, LLC, A CALIFORNIA LIMITED LIABILITY CORPORATION, FOR THE DEVELOPMENT OF 148 UNITS OF AFFORDABLE HOMEOWNERSHIP HOUSING, 400 CHINA BASIN STREET (BLOCK 9A); MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA**

WHEREAS, On September 17, 1998, the former Redevelopment Agency of the City and County of San Francisco (“Redevelopment Agency”) approved, by Resolution No. 190-98, the Redevelopment Plan for the Mission Bay South Redevelopment Project Area (“Redevelopment Plan”). The Redevelopment Agency Commission also adopted related documents, including Resolution No. 193-98 conditionally authorizing execution of an Owner Participation Agreement (“South OPA”) with Catellus Development Corporation, a Delaware corporation (“Catellus”). On November 2, 1998, the San Francisco Board of Supervisors (“Board of Supervisors”) adopted, by Ordinance No. 335-98, the Redevelopment Plan. The Redevelopment Plan and its implementing documents, as defined in the Redevelopment Plan, constitute the “Plan Documents,” 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 Redevelopment Agency of the City and County of San Francisco (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 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 South OPA, including its affordable housing obligations and tax allocation pledge agreement, is an enforceable obligation under the Redevelopment Dissolution Law; and,

WHEREAS, On April 7, 2020, the OCII Commission authorized, by Resolution No. 01-2020, the Executive Director to enter into a \$3,500,000 predevelopment loan agreement and promissory note, and an exclusive negotiations agreement 350 China Basin Partners, LLC (“Developer”) for the development of approximately 140 affordable for-sale residential units at Mission Bay South Block 9a (“MBS 9a”); and,

WHEREAS, On February 16, 2021, the Commission adopted, by Resolution No. 06-2021 amendments to the Design for Development (“D for D Amendment”) for Mission Bay South Project Area (“Project Area”) in connection with Mission Bay South Block 9a. The D for D Amendment includes: 1) Increasing the maximum developable area allocated to midrise buildings between 65 feet and 90 feet in height within Height Zone HZ-4 from 28,824 square feet to 39,656 square feet, with the increase available to be used by MBS 9a; and 2) Allowing increased height of no more than 90 feet on MBS 9a’s street-fronting facades along China Basin Street and Bridgeview Way; and,

WHEREAS, Pursuant to the Plan Documents, including the DRDAP, the Developer submitted a Combined Basic Concept and Schematic Design application for MBS 9a (“BCSD”). The residential building consists of 148 affordable for-sale units and associated parking and open space; and,

WHEREAS, The Citywide Affordable Housing Loan Committee reviewed OCII staff’s evaluation for additional predevelopment funding at its meeting on November 5, 2021, and recommended that OCII authorize the additional predevelopment funds for unanticipated design and engineering costs and for a pile indicator program (to reduce the construction timeline) through a First Amendment with the Developer in an amount not to exceed \$1,500,000 subject to certain terms and conditions; and,

WHEREAS, The Developer desires to enter into and execute a First Amendment to the Loan Agreement dated April 7, 2020, and an amended and restated Promissory Note for an additional \$1,500,000 in predevelopment financing, for an aggregate amount of \$5,000,000, to fund design, engineering, and indicator pile program work which needs to be completed prior to the start of construction in May 2022; and,

WHEREAS, On September 17, 1998, the Redevelopment Agency Commission adopted Resolution No. 182-98 which certified the Final Subsequent Environmental Impact Report (“FSEIR”) for Mission Bay North and South pursuant to CEQA and State CEQA Guidelines Sections 15168 (Program EIR) and 15180 (Redevelopment Plan EIR). On the same date, the Redevelopment Agency Commission also adopted Resolution No. 183-98, which adopted environmental findings (and a statement of overriding considerations), in connection with the approval of the Redevelopment Plan and other Mission Bay project approvals (the “Mission Bay Project”). The San Francisco Planning Commission (“Planning Commission”) certified the FSEIR by Resolution No. 14696 on the same date. On October 19, 1998, the Board of Supervisors approved Motion No. 98-132 affirming certification of the FSEIR by the Planning Commission and the Former Agency, and approved Resolution No. 854-98 adopting environmental findings and a statement of overriding considerations for the Mission Bay Project; and,

WHEREAS, Subsequent to certification of the FSEIR, the Former Agency issued several addenda to the FSEIR (the “Addenda”). The Addenda do not identify any substantial new information or new significant impacts or a substantial increase in the severity of previously identified significant effects that alter the conclusions reached in the FSEIR; and,

WHEREAS, The FSEIR is a program EIR under CEQA Guidelines Section 15168 and a redevelopment plan EIR under CEQA Guidelines Section 15180. Authorizing a first amendment for additional predevelopment funds for architecture, engineering expenses and indicator pile program work for the purpose of developing the Project is a undertaking pursuant to and in furtherance of the Plan and is an “Implementing Action” in conformance with CEQA Guidelines Sections 15180, 15162, 15165, and 15164; and,

WHEREAS, OCII is making the necessary findings for the Implementing Actions contemplated herein, considered and reviewed the FSEIR, and has made documents related to the Implementing Actions and the FSEIR files available for review by the Commission and the public, and these files are part of the record before the Commission; and,

WHEREAS, The FSEIR findings and statement of overriding considerations adopted in accordance with CEQA by the Former Agency Commission by Resolution No. 183-98 dated September 17, 1998, reflected the independent judgment and analysis of the Former Agency, were and remain adequate, accurate and objective and were prepared and adopted following the procedures required by CEQA, and the findings in said resolutions are incorporated herein by reference as applicable to the Implementing Action; and,

WHEREAS, Copies of the FSEIR, Addenda, and supporting documentation are on file with the Commission Secretary and are incorporated in this Resolution by this reference; and, now, therefore be it,

RESOLVED, The Commission finds and determines that the first amendment facilitates the development of the Project and are Implementing Actions within the scope of the Mission Bay Project analyzed in the FSEIR and require no further environmental review beyond the FSEIR pursuant to the State CEQA Guidelines Sections 15180, 15162 and 15163 for the following reasons:

- (1) the Implementing Actions are consistent with the Mission Bay Project analyzed in the FSEIR and do not require major revisions to the FSEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant impacts; and,
- (2) no substantial changes have occurred with respect to the circumstances under which the Mission Bay Project analyzed in the FSEIR will be undertaken that would require major revisions to the FSEIR due to the involvement of new significant environmental effects, or a substantial increase in the severity of effects identified in the FSEIR; and,
- (3) no new information of substantial importance relating to the Mission Bay Project analyzed in the FSEIR has become available which would indicate that (i) the Implementing Actions will have significant effects not discussed in the FSEIR; (ii) significant environmental effects will be substantially more severe; (iii) mitigation measures or alternatives found not feasible, which would reduce one or more significant effects, have become feasible; or (iv) mitigation measures or alternatives, which are considerably different from those in the FSEIR, will substantially reduce one or more significant effects on the

environment that would change the conclusions set forth in the FSEIR; and, be it further

RESOLVED, The Commission has reviewed and considered the FSEIR findings and statement of overriding considerations, and hereby adopts the CEQA findings set forth in Resolutions No. 182-98 and No. 183-98, which are incorporated herein, and those set forth above; and, be it further

RESOLVED, The Commission authorizes the Interim Executive Director to enter into a First Amendment, substantially in the form of the documents approved by legal counsel for OCII, with 350 China Basin Partners, LLC, a California limited liability company, and to enter into any and all ancillary documents or to take any additional actions necessary to consummate the transaction contemplated by this Resolution.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of December 7, 2021.

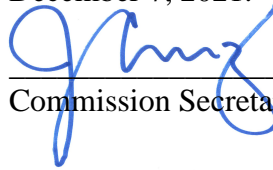
  
\_\_\_\_\_  
Commission Secretary

Exhibit 1: First Amendment to the Mission Bay South Housing Loan Agreement

**SUCCESSOR AGENCY TO THE SAN FRANCISCO REDEVELOPMENT AGENCY OF  
THE CITY AND COUNTY OF SAN FRANCISCO  
FIRST AMENDMENT TO THE  
LOAN AGREEMENT**

**Mission Bay South Block 9a  
Mission Bay South Redevelopment Project Area**

THIS FIRST AMENDMENT (the “**First Amendment**”) TO THE LOAN AGREEMENT (the “**Agreement**”) dated April 7, 2020, is entered into as of December 7, 2021, between the **SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO**, hereafter referred to as the Office of Community Investment and Infrastructure, a public body, corporate and politic (“**Successor Agency**” or “**OCII**”), and 350 China Basin Partners LLC, a California limited liability company (the “**Borrower**” and “**Developer**”), whose co-managing members are Mission Bay 9A LLC, a California limited liability company whose sole member is Curtis Development, a California sole proprietorship, and Michael Simmons Property Development, Inc., a California corporation, and whose other member is YCD MGP I, LLC whose sole member is Young Community Developers, Inc., a California nonprofit public benefit corporation, and their authorized successors and assigns.

RECITALS

A. On April 7, 2020, the OCII Commission authorized, by Resolution No. 01-2020, an Exclusive Negotiations Agreement, and a loan to the Borrower in an initial amount of Three Million Five Hundred Thousand Dollars (\$3,500,000.00) (the “**Funding Amount**” or “**Loan Amount**”) under this Agreement to fund certain costs related to proposed development of approximately 140 units of for-sale housing priced to be affordable to households earning 80-110% of area median income (“**AMI**”) as defined by the San Francisco Mayor’s Office of Housing and Community Development (“**MOHCD**”) on Mission Bay South Block 9a, on parcels identified as Block 8719, Lot 005 of that certain map entitled “**Final Map Planned Development Mission Bay (9-9A and 10-10A)**,” recorded on May 31, 2005 and filed on pages 6-10 in Book BB of the County’s Survey Maps (the “**Project**”). The Oversight Board of the City and County of San Francisco and the California Department of Finance have approved, under Redevelopment Dissolution Law, this expenditure in the Recognized Obligation Payment Schedule for July 1, 2019 to June 30, 2020 (“**ROPS 19– 20**”) (Oversight Board Resolution No. 1-2019 (January 28, 2019)).

B. The Borrower has requested additional predevelopment funding for the pile indicator program, additional architecture fees, and environmental studies. On October 15, 2021, the Affordable Housing Loan Committee approved additional predevelopment loan funding of One Million Five Hundred Thousand Dollars (\$1,500,000) for a total aggregate amount not to exceed Five Million Dollars (\$5,000,000).

C. On December 7, 2021, the OCII Commission authorized, by Resolution No. \_\_\_\_-2021, this First Amendment to increase the Predevelopment Loan by One Million Five Hundred

Thousand Dollars (\$1,500,000) for an amount not to exceed Five Million Dollars (\$5,000,000) and authorized the Interim Executive Director to execute all documents necessary to consummate the transaction.

## **AGREEMENT**

**ACCORDINGLY**, for good and valuable consideration, the amount and sufficiency of which is hereby acknowledged, the Agency and Borrower agree to amend the Agreement as follows:

1. Section 2.1 shall be amended to read in full as follows, and all references to “Funding Amount” or “Loan Amount” in the Agreement shall refer to the increased amount as set forth therein:
  - 2.1 Funding Amount. OCII agrees to lend to Borrower a maximum principal amount of Five Million Dollars (\$5,000,000.00) (the "**Funding Amount**" or “Loan Amount”) in order to finance predevelopment costs associated with the Project and described in Exhibit B-1 (“**Predevelopment Activities**”). The Funding Amount will be disbursed according to the terms and subject to the conditions set forth in this Agreement.
2. Exhibit B-1, Table of Sources and Uses of Funds, of the Agreement, is hereby deleted in its entirety and replaced by Attachment B-1a, Table of Sources and Uses of Funds, attached hereto.
3. Exhibit Q, Promissory Note, of the Agreement, is hereby deleted in its entirety and replaced by Attachment Q1, Amended and Restated Promissory Note, attached hereto.
4. This First Amendment constitutes a part of the Agreement and any reference to the Agreement shall be deemed to include a reference to such Agreement as amended by this First Amendment.
  - a. As amended herein, all terms, covenants, conditions and provisions of the Agreement shall remain in full force and effect.
  - b. This First Amendment shall be binding upon and inure to the benefit of the permitted successors and assigns of the Parties, subject to the limitations set for in the Agreement, as applicable.
  - c. Nothing in this First Amendment shall constitute a waiver or relinquishment of any rights of OCII under the Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement at San Francisco, California as of the date first written above.

**OCII:**

Successor Agency to the Redevelopment Agency of the City and County of San Francisco, a public body, organized and existing under the laws of the State of California:

By: \_\_\_\_\_  
Sally Oerth  
Interim Executive Director

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
James B. Morales  
General Counsel

**BORROWER:**

350 China Basin Partners, LLC,  
a California limited liability company

By: Mission Bay 9A LLC,  
a California limited liability company,  
Its co-manager

By: \_\_\_\_\_  
Charmaine Curtis  
Manager

By: Michael Simmons Property  
Development, Inc.,  
a California corporation, its co-  
manager

By: \_\_\_\_\_  
Michael Simmons  
President

Authorized by OCII Resolution No. \_\_\_\_-2021, adopted \_\_\_\_\_, 2021

LIST OF ATTACHMENTS

Attachment 1 – Exhibit B1a. Table of Sources and Uses of Predevelopment Funds

Attachment 2 – Exhibit Q1. Amended and Restated Promissory Note



ATTACHMENT 1 - Exhibit B-1a

**TABLE OF SOURCES & USES OF FUNDS**

**Sources**

OCII \$5,000,000

**Uses**

Construction \$ 564,000  
(Indicator Piles)

Architecture & Design \$3,040,000

Engineering & \$ 285,473  
Environmental Studies

Legal Costs \$ 35,000

Other Soft Costs \$ 338,192

Soft Cost Contingency \$ 187,335

Developer Costs \$ 550,000

**TOTAL \$5,000,000**

ATTACHMENT 2 - Exhibit Q1  
**AMENDED AND RESTATED PROMISSORY NOTE**