

1 [Multifamily Housing Revenue Note - Hunters View Phase 3 - Vertical - Not to Exceed
2 \$76,000,000]

3 **Resolution authorizing the execution and delivery of a multifamily housing revenue**
4 **note in one or more series in an aggregate principal amount not to exceed \$76,000,000**
5 **for the purpose of providing financing for the construction of a 118-unit multifamily**
6 **rental housing project known as “Hunters View Phase 3 - Vertical”; approving the form**
7 **of and authorizing the execution of a funding loan agreement providing the terms and**
8 **conditions of the construction loan from the construction funding lender to the City,**
9 **and the execution and delivery of the construction note; approving the form of and**
10 **authorizing the execution of a project loan agreement providing the terms and**
11 **conditions of the construction loan from the City to the borrower; approving the form**
12 **of and authorizing the execution of an amended and restated funding loan agreement**
13 **providing the terms and conditions of the permanent loan from the permanent funding**
14 **lender to the City, and the execution and delivery of the permanent note; approving the**
15 **form of and authorizing the execution of an amended and restated project loan**
16 **agreement providing the terms and conditions of the permanent loan from the City to**
17 **the borrower; approving the form of and authorizing the execution of a regulatory**
18 **agreement and declaration of restrictive covenants for each site of the subject project;**
19 **authorizing the collection of certain fees; approving, for purposes of the Internal**
20 **Revenue Code of 1986, as amended, the issuance and sale of residential mortgage**
21 **revenue bonds by the City in an aggregate principal amount not to exceed \$76,000,000;**
22 **approving modifications, changes and additions to the documents; ratifying and**
23 **approving any action heretofore taken in connection with the back-to-back loans, the**
24 **notes and the project; granting general authority to City officials to take actions**

1 **necessary to implement this Resolution, as defined herein; and related matters, as**
2 **defined herein.**

3

4 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
5 “Board”) desires to provide for the financing of a portion of the costs of the acquisition and
6 new construction by HV Partners 3, LP (the “Borrower”), of a 118-unit residential rental
7 development project located on two non-contiguous sites in San Francisco, California
8 (Assessor’s Parcel Block No. 4624, Lot No. 446, and Assessor’s Parcel Block No. 4624, Lot
9 No. 447, respectively) (each, a “Site” and together, the “Sites”), which Sites are generally in
10 the location of the street addresses formerly identified as 201-237 West Point Road, San
11 Francisco, California, and which new project is to be known as “Hunters View Phase 3 –
12 Vertical” (the “Project”), to provide housing for persons and families of low income through the
13 issuance of a multifamily housing revenue Construction Note (hereinafter defined) and a
14 multifamily housing revenue Permanent Note (hereinafter defined), each in one or more series
15 which may be taxable or tax-exempt (collectively, the “Notes”); and

16 WHEREAS, The City and County of San Francisco (the “City”) is authorized to issue
17 revenue notes for such purpose pursuant to the Charter of the City, Article I of Chapter 43 of
18 the Administrative Code of the City and, to the extent applicable, Chapter 7 of Part 5 of
19 Division 31 (commencing with Section 52075) of the Health and Safety Code of the State of
20 California (“Health and Safety Code”), as now in effect and as it may from time to time
21 hereafter be amended or supplemented (collectively, the “Act”); and

22 WHEREAS, On February 2, 2021, the Board adopted its Resolution No. 17-21,
23 declaring the intent of the City to reimburse certain expenditures of the Project from proceeds
24 of future bonded indebtedness, and authorizing the Director (the “Director”) of the Mayor’s
25 Office of Housing and Community Development (“MOHCD”) to submit an application to the

1 California Debt Limit Allocation Committee (“CDLAC”) to permit the issuance of bonded
2 indebtedness in an amount not to exceed \$90,000,000, and the Mayor of the City (the
3 “Mayor”) approved such Resolution on February 4, 2021; and

4 WHEREAS, On November 30, 2022, CDLAC adopted its Resolution No. 22-277,
5 allocating an amount not to exceed \$65,000,000 (the “Original Allocation Amount”) in qualified
6 private activity bond volume cap to the Project; and

7 WHEREAS, On March 15, 2023, CDLAC adopted its Resolution No. 23-119, granting a
8 supplemental allocation of qualified private activity bond volume cap to the Project in an
9 amount not to exceed \$3,500,000 (the “Supplemental Allocation Amount” and together with
10 the Original Allocation Amount and any additional supplemental allocation amount, the
11 “Allocation Amount”); and

12 WHEREAS, There has been prepared and presented to the Board for consideration at
13 this meeting the documentation required for the execution and delivery of the Notes, and such
14 documentation is on file with the Clerk of the Board of Supervisors (the “Clerk of the Board”);
15 and

16 WHEREAS, It appears that each of the documents which is now before this Board is
17 substantially in final form and is an appropriate instrument to be executed and delivered for
18 the purposes intended; and

19 WHEREAS, The Board finds that the public interest and necessity require that the City
20 at this time make arrangements for the funding loan, the project loan and the execution and
21 delivery of the Notes; and

22 WHEREAS, The Notes will be limited obligations of the City, the sole source of
23 repayment of which shall be payments made by the Borrower under the Project Loan
24 Agreement and the Amended and Restated Project Loan Agreement (each as hereinafter
25 defined), together with investment income, if any, of certain funds and accounts held under

1 the Funding Loan Agreement and the Amended and Restated Funding Loan Agreement
2 (each hereinafter defined); and

3 WHEREAS, The City has engaged Jones Hall, A Professional Law Corporation and
4 Husch Blackwell LLP, as co-bond counsel with respect to the Note (“Co-Bond Counsel”); and

5 WHEREAS, Bank of America, N.A. (or an affiliate thereof) (the “Construction Funding
6 Lender”) has expressed its intention to make the construction funding loan, to be evidenced
7 by a multifamily housing revenue construction note (the “Construction Note”), and in
8 connection therewith, the City, the Construction Funding Lender and the Borrower are to enter
9 into certain documents for the construction funding loan, including without limitation the
10 Funding Loan Agreement, the Project Loan Agreement, and certain assignments, allonges
11 and other ancillary documents; and

12 WHEREAS, Citibank, N.A. (or an affiliate thereof) (the “Permanent Funding Lender”)
13 has expressed its intention to make the permanent funding loan, to be evidenced by a
14 multifamily housing revenue permanent note (the “Permanent Note”), and, in connection
15 therewith, the City, the Permanent Funding Lender and the Borrower are to enter into certain
16 documents for the permanent funding loan, including without limitation amended and restated
17 versions of the Funding Loan Agreement (the “Amended and Restated Funding Loan
18 Agreement”), the Project Loan Agreement (the “Amended and Restated Project Loan
19 Agreement”) and certain assignments, allonges and other ancillary documents; and

20 WHEREAS, The aforesaid permanent funding loan and related Permanent Note are
21 intended to replace a like amount of the aforesaid construction funding loan and the related
22 Construction Note, and will not represent new or additional indebtedness of the Project that
23 must be separately authorized by this Board; and

24 WHEREAS, The interest on the Notes may qualify for tax exemption under Section 103
25 of the Internal Revenue Code of 1986, as amended (“Code”), only if the Notes are approved

1 by an applicable elected representative of a governmental unit having jurisdiction over the
2 area in which the Project is located in accordance with Section 147(f) of the Code; and

3 WHEREAS, The City a governmental unit having jurisdiction over the area in which the
4 Project is located and now wishes to approve the issuance of the Notes in order to satisfy the
5 public approval requirements of Section 147(f) of the Code; and

6 WHEREAS, The Project is located wholly within the City; and

7 WHEREAS, On December 5, 2022, the City caused a notice stating that a public
8 hearing with respect to the issuance of the Notes would be held by MOHCD on December 13,
9 2022, published in the Notices section of the MOHCD website (at [https://sfmohcd.org/notices-](https://sfmohcd.org/notices-0)
10 [0](https://sfmohcd.org/notices-0)); now, therefore, be it

11 RESOLVED, By this Board of Supervisors of the City and County of San Francisco as
12 follows:

13 Section 1. Approval of Recitals. The Board hereby finds and declares that the
14 above recitals are true and correct.

15 Section 2. Approval of Execution and Delivery of Notes. In accordance with the Act,
16 the Funding Loan Agreement and the Amended and Restated Funding Loan Agreement, the
17 City is hereby authorized to execute and deliver the Notes in one or more series designated
18 as “City and County of San Francisco Multifamily Housing Revenue Note (Hunters View
19 Phase 3 - Vertical), Series 2023A” or such other or such additional designations as may be
20 necessary or appropriate to distinguish such series from every other series of bonds or notes,
21 in an aggregate principal amount not to exceed \$76,000,000, provided that any tax-exempt
22 portion of the Notes shall not exceed the Allocation Amount, with an interest rate not to
23 exceed twelve percent (12%) per annum for the Notes, and which shall have a final maturity
24 date not later than forty (40) years from the date of execution and delivery of the Notes, and
25 provided further that the principal amount of any Permanent Note and the related permanent

1 funding loan will not constitute new indebtedness, and need not be double-counted against
2 such maximum authorized principal amount. The Construction Note and the Permanent Note
3 shall be in the forms set forth in and otherwise in accordance with the Funding Loan
4 Agreement and the Amended and Restated Funding Loan Agreement, respectively, and shall
5 be executed by the manual or facsimile signature of the Mayor.

6 Section 3. Approval of Funding Loan Agreement. The Funding Loan Agreement
7 (the "Funding Loan Agreement") in the form presented to the Board, a copy of which is on file
8 with the Clerk of the Board, is hereby approved. The Funding Loan Agreement shall be
9 entered into by and among the City, the Construction Funding Lender and a fiscal agent to be
10 named therein, as Fiscal Agent (the "Fiscal Agent"). Each of the Mayor, the Director, the
11 Deputy Director of Housing of MOHCD, and any other Authorized Governmental Lender
12 Representative (as such term is defined in the Funding Loan Agreement), acting individually
13 or collectively (each, an "Authorized City Representative") is hereby authorized to execute the
14 Funding Loan Agreement, approved as to form by the City Attorney of the City (the "City
15 Attorney"), in substantially said form, together with such additions thereto and changes therein
16 as the City Attorney and Co-Bond Counsel may approve or recommend in accordance with
17 Section 9 hereof.

18 Section 4. Approval of Project Loan Agreement. The Project Loan Agreement (the
19 "Project Loan Agreement") by and among the City, the Fiscal Agent and the Borrower, in the
20 form presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby
21 approved. Each Authorized City Representative is hereby authorized to execute the Project
22 Loan Agreement in substantially said form, together with such additions thereto and changes
23 therein as the City Attorney and Co-Bond Counsel may approve or recommend in accordance
24 with Section 9 hereof.

25

1 Section 5. Approval of Regulatory Agreements and Declarations of Restrictive
2 Covenants. The Regulatory Agreement and Declaration of Restrictive Covenants (the
3 “Regulatory Agreement” for each Site and, together with the Funding Loan Agreement, the
4 Project Loan Agreement, the Amended and Restated Funding Loan Agreement and the
5 Amended and Restated Project Loan Agreement, the “City Documents”), between the City
6 and the Borrower, in the form presented to the Board, a copy of which is on file with the Clerk
7 of the Board, is hereby approved. Each Authorized City Representative is hereby authorized
8 to execute the Regulatory Agreement for each Site, approved as to form by the City Attorney,
9 in substantially said form, together with such additions thereto and changes therein as the City
10 Attorney and Co-Bond Counsel may approve or recommend in accordance with Section 9
11 hereof.

12 Section 6. Approval of Amended and Restated Funding Loan Agreement. The
13 Amended and Restated Funding Loan Agreement, in the form presented to the Board, a copy
14 of which is on file with the Clerk of the Board, is hereby approved. The Amended and
15 Restated Funding Loan Agreement shall be entered into by and among the City, the
16 Permanent Funding Lender and the Fiscal Agent. Each of Authorized City Representative is
17 hereby authorized to execute the Amended and Restated Funding Loan Agreement, approved
18 as to form by the City Attorney, in substantially said form, together with such additions thereto
19 and changes therein as the City Attorney and Co-Bond Counsel may approve or recommend
20 in accordance with Section 9 hereof.

21 Section 7. Approval of Amended and Restated Project Loan Agreement. The
22 Amended and Restated Project Loan Agreement by and among the City, the Fiscal Agent and
23 the Borrower, in the form presented to the Board, a copy of which is on file with the Clerk of
24 the Board, is hereby approved. Each Authorized City Representative is hereby authorized to
25 execute the Amended and Restated Project Loan Agreement in substantially said form,

1 together with such additions thereto and changes therein as the City Attorney and Co-Bond
2 Counsel may approve or recommend in accordance with Section 9 hereof.

3 Section 8. Issuer Fees. The City, acting through MOHCD, shall charge an annual
4 issuer fee for monitoring the restricted units in the Project up to an amount provided for under
5 its standard issuer fee policies, or at some lesser amount if required by federal tax law
6 applicable to the Notes. The annual monitoring fee due during the construction period shall
7 be payable at funding loan closing. The Board hereby authorizes MOHCD to charge and
8 collect the fees described in this section.

9 Section 9. Modifications, Changes, Additions. Any Authorized City Representative
10 executing the City Documents, in consultation with the City Attorney and Co-Bond Counsel, is
11 hereby authorized to approve and make such modifications, amendments, changes or
12 additions to the City Documents as may be necessary or advisable, including, without implied
13 limitation, changes to the titles of any City Documents, provided that such modification does
14 not authorize an aggregate principal amount of the Notes in excess of \$76,000,000 or an
15 aggregate principal amount of the tax-exempt portion of the Notes in excess of the Allocation
16 Amount, provide for a final maturity of the Notes later than forty (40) years from the date of
17 execution and delivery thereof, or provide for the Notes to bear interest at a rate in excess of
18 twelve percent (12%) per annum. The approval of any modification, addition or change to any
19 of the aforementioned documents shall be evidenced conclusively by the execution and
20 delivery of the document in question.

21 Section 10. Public Approval. The Board, as the applicable elected representative of
22 the governmental unit having jurisdiction over the area in which the Project is located, hereby
23 approves the issuance of the Notes in the aggregate principal amount not to exceed
24 \$76,000,000, for purposes of Section 147(f) of the Code.

25 ///

1 ///

2 Section 11. Ratification. All actions heretofore taken by the officers and agents of the
3 City with respect to the funding loan and the execution and delivery of the Notes consistent
4 with the purposes of this Resolution and the City Documents are hereby approved, confirmed
5 and ratified.

6 Section 12. General Authority. The proper officers of the City are hereby authorized
7 and directed, for and in the name and on behalf of the City, to do any and all things and take
8 any and all actions and execute and deliver any and all certificates, agreements (including,
9 without implied limitation, any tax-exemption documents, assignments, allonges,
10 endorsements, subordinations and such other agreements to provide adequate or additional
11 security or indemnities as required by lenders to consummate the financing) and other
12 documents and amendments, including but not limited to those documents described in the
13 City Documents, which they, or any of them, may deem necessary or advisable in order to
14 consummate the lawful execution and delivery of the Notes and to effectuate the purposes
15 thereof and of the City Documents. Any such actions are solely intended to further the
16 purposes of this Resolution, and are subject in all respects to the terms of the Resolution. No
17 such actions shall increase the risk to the City or require the City to spend any resources not
18 otherwise contemplated herein. Final versions of such documents shall be provided to the
19 Clerk of the Board for inclusion in the official file within 30 days of execution by all parties.

20 Section 13. File. All documents referenced herein as being on file with the Clerk of
21 the Board are located in File No. 230379, which is hereby declared to be a part of this
22 Resolution as if set forth fully herein.

23 ///

24 ///

25 ///

1 Section 14. This Resolution shall take effect from and after its adoption by the Board
2 and approval by the Mayor.

3
4 APPROVED AS TO FORM:
5 DAVID CHIU, City Attorney

6 By: /s/ KENNETH DAVID ROUX
7 KENNETH DAVID ROUX
8 Deputy City Attorney

9 n:\financlas2023\2100194\01666486.docx