

1 [Multifamily Housing Revenue Bonds - Sunnydale HOPE SF Block 9 - 1652 Sunnydale
2 Avenue - Not to Exceed \$57,075,000]

3 **Resolution approving for purposes of the Internal Revenue Code of 1986, as amended,**
4 **and authorizing the issuance, sale and delivery of multifamily housing revenue bonds**
5 **in one or more series in an aggregate principal amount not to exceed \$57,075,000 for**
6 **the purpose of providing financing for the construction of a 95-unit (including one**
7 **manager unit) multifamily rental housing project located at 1652 Sunnydale Avenue**
8 **known as “Sunnydale HOPE SF Block 9”;** approving the form of and authorizing the
9 execution of an indenture of trust providing the terms and conditions of the bonds;
10 approving the form of and authorizing the execution of a regulatory agreement and
11 declaration of restrictive covenants; approving the form of and authorizing the
12 execution of a financing agreement; approving the form of and authorizing the use and
13 distribution of a preliminary official statement and/or official statement; approving the
14 form of and authorizing the execution of a bond purchase agreement; authorizing the
15 collection of certain fees, approving modifications, changes and additions to the
16 documents; ratifying and approving any action heretofore taken in connection with the
17 bonds and the project; granting general authority to City officials to take actions
18 necessary to implement this Resolution; and related matters, as defined herein.

19
20 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
21 “Board”) desires to provide for the financing of a portion of the costs of the construction by
22 Sunnydale Block 9 Housing Partners, L.P., a California limited partnership (the “Borrower”), of
23 a 95-unit (including one manager’s unit) residential rental development located at 1652
24 Sunnydale Avenue, San Francisco, California 94134, known as “Sunnydale HOPE SF Block
25 9” (the “Project”), to provide housing for persons and families of low and very low income

1 through the issuance of multifamily housing revenue bonds in one or more series (the
2 “Bonds”); and

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

9 WHEREAS, The interest on the Bonds may qualify for federal tax exemption under the
10 Internal Revenue Code of 1986, as amended (the “Code”), only if the Bonds are approved in
11 accordance with Section 147(f) of the Code; and

12 WHEREAS, The Board is the elected legislative body of the City and is the applicable
13 elected representative authorized to approve the execution and delivery of the Bonds within
14 the meaning of Section 147(f) of the Code; and

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

16 WHEREAS, On January 3, 2025, the City caused a notice stating that a public hearing
17 with respect to the issuance of multifamily affordable housing mortgage revenue bonds and
18 their respective projects, pursuant to plans of financing, would be held by the Mayor’s Office
19 of Housing and Community Development (“MOHCD”) on January 15, 2025, to be published
20 and appear in the Notices section of MOHCD’s website (at [https://sf.gov/information/mohcd-
21 department-notices](https://sf.gov/information/mohcd-department-notices)), and such notice is on file with the Clerk of the Board of Supervisors and
22 incorporated herein by reference; and

23 WHEREAS, At the date and time and the location specified in such notice MOHCD
24 held such public hearing at which opportunity was provided for persons to comment on the
25 plan of financing; and

1 WHEREAS, On December 11, 2024, the California Debt Limit Allocation Committee in
2 its Resolution Number 24-255 allocated \$57,075,000 (together with any future supplemental
3 CDLAC allocation for the Project, the “Allocation Amount”) in qualified private activity volume
4 cap to the Project (the “CDLAC Resolution”); and

5 WHEREAS, There has been prepared and presented to the Board for consideration at
6 this meeting the documentation required for the issuance of the Bonds, and such
7 documentation is on file with the Clerk of the Board of Supervisors (the “Clerk of the Board”);
8 and

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

12 WHEREAS, The Board finds that the public interest and necessity require that the City
13 at this time make arrangements for the sale of the Bonds; and

14 WHEREAS, The Bonds will be a limited obligation of the City, the sole source of
15 repayment of which shall be payments made by the Borrower under the Financing Agreement
16 (hereinafter defined), together with investment income of certain funds and accounts held
17 under the Indenture of Trust (the “Indenture”); and

18 WHEREAS, The Trustee (hereinafter defined) will use the proceeds of the Bonds to
19 purchase a single mortgage pass-through certificate (the “MBS”) guaranteed as to timely
20 payment of principal and interest by the Federal National Mortgage Association (“Fannie
21 Mae”), if and when issued; and

22 WHEREAS, The Indenture provides that (i) prior to the delivery of the MBS, payment of
23 the Bonds will be assured and collateralized by the deposit with the Trustee of proceeds
24 received from the sale of the Bonds and other eligible funds held under the Indenture in an
25 amount equal to the outstanding principal amount of the Bonds and interest during the

1 construction period and (ii) after construction and stabilization of the Project and upon
2 satisfaction of the conditions set forth in the Indenture and the forward commitment of Fannie
3 Mae, the MBS will be issued to the Trustee and debt service on the then remaining
4 outstanding Bonds will be payable from pass-through payments received by the Trustee on
5 the MBS through the maturity of the Bonds; and

6 WHEREAS, The Borrower has advised the City that the Bonds will be rated by one of
7 the national rating agencies at a level satisfactory to the City; and

8 WHEREAS, The City has engaged Kutak Rock LLP and Amira Jackmon, Attorney at
9 Law, as co-bond counsel with respect to the Bonds (together, "Co-Bond Counsel"); and

10 WHEREAS, The Borrower provided to the City the following information as a good faith
11 estimate of the cost of the Bonds financing and the City disclosed such information in
12 accordance with Section 5852.1 of the California Government Code: (a) the true interest cost
13 of the Bonds, (b) the finance charge of the Bonds, including all third party expenses, (c) the
14 amount of proceeds received by the City for the issuance and delivery of the Bonds less the
15 finance charge of the Bonds and any reserves or capitalized interest paid or funded with
16 proceeds of the Bonds and (d) the total payment amount (the "Financing Information"); and

17 WHEREAS, Such Financing Information has been disclosed in connection with the
18 Board meeting in which this Resolution is approved; now, therefore, be it

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

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

23 Section 2. Approval of Issuance of Bonds. The Board, as the applicable elected
24 representative of the City, hereby approves the plan of financing and the issuance of its
25 multifamily housing revenue bonds in one or more series, including, but not limited to the

1 Bonds, pursuant to and for purposes of Section 147(f) of the Code. It is intended that this
2 Resolution constitute approval of the Bonds by the applicable elected representative of the
3 issuer of the Bonds and the applicable elected representative of the governmental unit having
4 jurisdiction over the area in which the Project is located, in accordance with said Section
5 147(f). Additionally, in accordance with the Act and the Indenture, the City is hereby
6 authorized to issue and deliver revenue bonds of the City, such bonds to be issued in one or
7 more series and subseries, and designated as “City and County of San Francisco Multifamily
8 Housing Revenue Bonds (Sunnydale HOPE SF Block 9) (Fannie Mae MBS-Secured), Series
9 2025B,” or such additional or other designation as may be necessary or appropriate to
10 distinguish such series from every other series of bonds, in an aggregate principal amount not
11 to exceed the Allocation Amount, with a fixed and/or variable interest rate not to exceed 12%
12 per annum for the Bonds, and which shall have a final maturity date not later than forty 40
13 years from the date of issuance of the Bonds. The Bonds shall be in the form set forth in and
14 otherwise in accordance with the Indenture and shall be executed by the manual or facsimile
15 signature of the Mayor of the City (the “Mayor”).

16 Section 3. Approval of Indenture. The Indenture in the form presented to the Board, a
17 copy of which is on file with the Clerk of the Board, is hereby approved. The Indenture shall
18 be entered into by and between the City and U.S. Bank Trust Company, National Association
19 (the “Trustee”). Each of the Mayor, the Director of the MOHCD and the Housing Development
20 Director of the MOHCD (or a designee of such officer in writing, collectively, the “Authorized
21 Officers” and each, an “Authorized Officer” as such term is defined in the Indenture), is hereby
22 authorized to execute the Indenture, approved as to form by the City Attorney of the City (the
23 “City Attorney”), in substantially said form, together with such additions thereto and changes
24 therein as the City Attorney and Co-Bond Counsel may approve or recommend in accordance
25 with Section 10 hereof.

1 Section 4. Approval of Financing Agreement. The Financing Agreement (the
2 “Financing Agreement”) by and among the City, the Trustee and the Borrower, in the form
3 presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby
4 approved. Each Authorized Officer is hereby authorized to execute the Financing Agreement
5 approved as to form by the City Attorney, in substantially said form, together with such
6 additions thereto and changes therein as the City Attorney and Co-Bond Counsel may
7 approve or recommend in accordance with Section 10 hereof.

8 Section 5. Approval of Regulatory Agreement and Declaration of Restrictive
9 Covenants. The Regulatory Agreement and Declaration of Restrictive Covenants (the
10 “Regulatory Agreement”), between the City and the Borrower, in the form presented to the
11 Board, a copy of which is on file with the Clerk of the Board, is hereby approved. Each
12 Authorized Officer, is hereby authorized to execute the Regulatory Agreement, approved as to
13 form by the City Attorney, in substantially said form, together with such additions thereto and
14 changes therein as the City Attorney and Co-Bond Counsel may approve or recommend in
15 accordance with Section 10 hereof.

16 Section 6. Approval of Official Statement. The Official Statement prepared in
17 connection with the Bonds in the form presented to the Board, a copy of which is on file with
18 the Clerk of the Board, together with any changes therein or additions thereto deemed
19 advisable by an Authorized Officer, after consultation with the City Attorney, Co-Bond Counsel
20 and the City’s disclosure counsel, is hereby approved. The Board hereby approves and
21 authorizes the distribution by the Underwriter (defined below) of the Bonds of the Official
22 Statement to prospective purchasers of the Bonds and authorizes and directs an Authorized
23 Officer on behalf of the City to deem a preliminary version of the Official Statement “final”
24 pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (“Rule”) prior to its
25 distribution to prospective purchasers of the Bonds. The execution of the final Official

1 Statement, which shall include then current financial information regarding the Borrower, the
2 Project, and the Bonds and such other changes and additions thereto deemed advisable by
3 an Authorized Officer and such information permitted to be excluded from the Official
4 Statement pursuant to the Rule, shall be conclusive evidence of the approval of the Official
5 Statement by the City.

6 Section 7. Approval of Bond Purchase Agreement. The Bond Purchase Agreement
7 ("Purchase Contract") by and among the City, the Borrower and Wells Fargo Bank, National
8 Association, as underwriter (the "Underwriter"), in the form presented to the Board, a copy of
9 which is on file with the Clerk of the Board, is hereby approved. Each Authorized Officer is
10 hereby authorized to execute the Purchase Contract, approved as to form by the City
11 Attorney, in substantially said form, with such additions thereto and changes therein as are
12 necessary to conform the Purchase Contract to the dates, amounts and interest rates
13 applicable to the Bonds as of the sale date or as are approved by an Authorized Officer upon
14 consultation with the City Attorney and the Co-Bond Counsel; provided that the interest rate
15 borne by each series of Bonds shall not exceed the lesser of twelve percent (12%) or the
16 maximum rate permitted by law and the maximum amount of Underwriter's discount on the
17 sale of each series of Bonds may not exceed 1.0% of the par amount of such series of Bonds.
18 Approval of such additions and changes shall be conclusively evidenced by the execution and
19 delivery of the Purchase Contract by an Authorized Officer.

20 Section 8. Preparation of Bonds. The Bonds shall be prepared, executed and
21 delivered to the Trustee for authentication, all in accordance with the terms of the Indenture
22 and the Purchase Contract. The Trustee, an Authorized Officer and other responsible officers
23 of the City are hereby authorized and directed to take such actions as are required to cause
24 the delivery of the Bonds upon receipt of the purchase price thereof.

25

1 Section 9. Issuer Fees. The City, acting through MOHCD shall charge an annual
2 issuer fee for monitoring compliance by the Borrower with certain provisions of the Regulatory
3 Agreement up to an amount provided for under its standard issuer fee policies, or at some
4 lesser amount if required upon the advice of Co-Bond Counsel that such lesser amount is
5 necessary or advisable by the code. The annual monitoring fee due during the construction
6 period shall be payable at Bond closing. The Board hereby authorizes MOHCD to charge and
7 collect the fees described in this section.

8 Section 10. Modifications, Changes, and Additions. Any Authorized Officer executing
9 the Indenture, the Financing Agreement, the Regulatory Agreement or the Purchase Contract
10 (collectively, the “City Agreements”) and the Official Statement, in consultation with the City
11 Attorney and Co-Bond Counsel, is hereby authorized to approve and make such
12 modifications, amendments, changes or additions to the City Agreements and the Official
13 Statement as may be necessary or advisable, provided that such modification does not
14 authorize an aggregate principal amount of Bonds in excess of the Allocation Amount, provide
15 for a final maturity on the Bonds later than 40 years from the date of execution and delivery
16 thereof, or provide for the Bonds to bear interest at a rate in excess of 12% per annum. The
17 approval of any modification, addition or change to any of the aforementioned documents
18 shall be evidenced conclusively by the execution and delivery of the document in question.

19 Section 11. Execution of Documents. Any document authorized herein may be
20 executed in multiple counterparts and any document authorized herein, except the Bonds and
21 the Regulatory Agreement, may be signed using electronic means.

22 Section 12. Ratification. All actions heretofore taken by the officers and agents of the
23 City with respect to the sale and issuance of the Bonds are hereby approved, confirmed and
24 ratified.

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

16 Section 14. File. All documents referenced herein as being on file with the Clerk of the
17 Board are located in File No. 250287, which is hereby declared to be a part of this Resolution
18 as if set forth fully herein.

19 ///

20 ///

21 ///

22 ///

23 ///

24 ///

25

1 Section 15. Effectiveness. This Resolution shall take effect from and after its adoption
2 by the Board and approval by the Mayor.

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

7 By: /s/ HEIDI J. GEWERTZ
8 HEIDI J. GEWERTZ
9 Deputy City Attorney