

1 [Multifamily Housing Revenue Notes - 1303 Larkin Street, L.P. - 1303 Larkin Street - Not to
2 Exceed \$19,000,000]

3 **Resolution authorizing the execution and delivery of multifamily housing revenue**
4 **notes in one or more series in an aggregate principal amount not to exceed \$19,000,000**
5 **for the purpose of providing financing for the construction of a 68-unit multifamily**
6 **rental housing project located at 1303 Larkin Street, known as “1303 Larkin Street”;**
7 **approving the form of and authorizing the execution of a funding loan agreement**
8 **providing the terms and conditions of the construction loan from the funding lender to**
9 **the City, and the execution and delivery of the notes; 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 a regulatory agreement and declaration of**
13 **restrictive covenants for the project; authorizing the collection of certain fees;**
14 **approving, for purposes of the Internal Revenue Code of 1986, as amended, the**
15 **issuance and sale of residential mortgage revenue notes by the City in an aggregate**
16 **principal amount not to exceed \$19,000,000; approving modifications, changes, and**
17 **additions to the documents; ratifying and approving any action heretofore taken in**
18 **connection with the funding loan, the project loan, the notes, and the project; granting**
19 **general authority to City officials to take actions necessary to implement this**
20 **Resolution; and related matters, as defined herein.**

21
22 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
23 “Board”) desires to provide for the financing of a portion of the costs of the acquisition and
24 new construction by 1303 Larkin Street, L.P., a California limited partnership (the “Borrower”),
25

1 of a 68-unit residential rental development project known as “1303 Larkin Street” (the
2 “Project”) located at 1303 Larkin Street, in San Francisco, California, to provide housing for
3 low-income persons and families through the issuance of multifamily housing revenue notes,
4 in one or more series which may be taxable or tax-exempt (collectively, the “Notes”); and

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

11 WHEREAS, On January 24, 2023, the Board adopted its Resolution No. 009-23,
12 authorizing the Mayor of the City (the “Mayor”) to execute and deliver a certificate or other
13 written instrument in the name of and on behalf of the City (an “Inducement Certificate”),
14 without further action of the Board, for the purposes of (i) declaring the intent of the City to
15 reimburse certain expenditures of a multifamily rental housing project from proceeds of future
16 bonded indebtedness, and (ii) authorizing the Director (the “Director”) of the Mayor’s Office of
17 Housing and Community Development (“MOHCD”) to submit an application to the California
18 Debt Limit Allocation Committee (“CDLAC”) to permit the issuance of bonded indebtedness
19 for a multifamily rental housing project, and the Mayor approved such Resolution on
20 February 3, 2023; and

21 WHEREAS, On July 19, 2024, the Mayor executed and delivered an Inducement
22 Certificate declaring the intent of the City to reimburse certain Project expenditures from
23 proceeds of future tax-exempt multifamily housing revenue bonds for purposes of
24 Section 1.150-2 of the United States (U.S.) Treasury Regulations, and authorizing the Director
25 to submit an application to the CDLAC to permit the issuance of tax-exempt bonded

1 indebtedness; and

2 WHEREAS, On December 11, 2024, CDLAC adopted its Resolution No. 24-271,
3 allocating an amount not to exceed \$13,987,000 (the “Original Allocation”) and, on August 5,
4 2025, CDLAC adopted its Resolution No. 25-240, allocating a supplemental amount not to
5 exceed \$2,563,478 (together the Original Allocation and any future supplemental CDLAC
6 allocation for the Project, the “Allocation Amount”) in qualified private activity bond volume cap
7 to the Project; and

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

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

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

15 WHEREAS, On August 25, 2025, the City caused a notice stating that a public hearing
16 with respect to the issuance of multifamily affordable housing mortgage revenue notes and
17 their respective projects, pursuant to plans of financing, would be held by the MOHCD on
18 September 3, 2025, to be published and appear in the Notices section of the MOHCD’s
19 website (at <https://sf.gov/information/mohcd-department-notices>), which is on file with the
20 Clerk of the Board and incorporated herein by reference; and

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

24 WHEREAS, The minutes of such public hearing were provided to this Board prior to
25 this meeting; and

1 WHEREAS, The documentation required for the execution and delivery of the Notes is
2 on file with the Clerk of the Board; and

3 WHEREAS, Each of the documents now before the Board in File No. 251007 is
4 substantially in final form and is an appropriate instrument to be executed and delivered for
5 the purposes intended; and

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

9 WHEREAS, The Notes will be limited obligations of the City, the sole source of
10 repayment of which shall be payments made by the Borrower under the Project Loan
11 Agreement (as hereinafter defined), together with investment income, if any, of certain funds
12 and accounts held under the Funding Loan Agreement (as hereinafter defined); and

13 WHEREAS, The City has engaged Jones Hall LLP as bond counsel with respect to the
14 Notes ("Bond Counsel"); and

15 WHEREAS, BMO Bank N.A. (or an affiliate thereof) (the "Funding Lender") intends to
16 make the construction funding loan, to be evidenced by the Notes, and in connection
17 therewith, the City, the Funding Lender, and the Borrower are to enter into certain documents
18 for the construction funding loan, including without limitation the Funding Loan Agreement, the
19 Project Loan Agreement, and certain assignments, allonges, and other ancillary documents;
20 and

21 WHEREAS, The Borrower provided to the City the following information as a good faith
22 estimate of the cost of the Notes financing and the City disclosed such information in
23 accordance with Section 5852.1 of the California Government Code: (i) the true interest cost
24 of the Notes, (ii) the finance charge of the Notes, including all third party expenses, (iii) the
25 amount of proceeds received by the City for the execution and delivery of the Notes less the

1 finance charge of the Notes and any reserves or capitalized interest paid or funded with the
2 proceeds of the Notes and (iv) the total payment amount (the “Financing Information”); and

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

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

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

9 Section 2. Approval of Execution and Delivery of Notes. The Board, as the
10 applicable elected representative of the governmental unit having jurisdiction over the area in
11 which the Project is located, hereby approves the plan of financing and the execution and
12 delivery of its multifamily housing revenue Notes in one or more series, pursuant to and for
13 purposes of Section 147(f) of the Code. It is intended that this Resolution constitute approval
14 of the Notes by the applicable elected representative of the issuer of the Notes and the
15 applicable elected representative of the governmental unit having jurisdiction over the area in
16 which the Project is located, in accordance with said Section 147(f). Additionally, in
17 accordance with the Act and the Funding Loan Agreement, the City is hereby authorized to
18 execute and deliver the Notes in one or more series designated as “City and County of San
19 Francisco Multifamily Housing Revenue Notes (1303 Larkin Street), Series 2025G” or such
20 other or such additional designations as may be necessary or appropriate to distinguish such
21 series from every other series of bonds or notes, in an aggregate principal amount not to
22 exceed \$19,000,000, provided that any tax-exempt portion of the Notes shall not exceed the
23 Allocation Amount. The Notes shall bear interest at a rate not to exceed twelve percent (12%)
24 per annum, and shall have a final maturity date not later than forty (40) years from their date
25 of execution and delivery. The Notes shall be in the forms set forth in and otherwise in

1 accordance with the Funding Loan Agreement, and shall be executed by the manual or
2 facsimile signature of the Mayor.

3 Section 3. Approval of Funding Loan Agreement. The Funding Loan Agreement
4 (the “Funding Loan Agreement”) in the form presented to the Board, a copy of which is on file
5 with the Clerk of the Board in File No. 251007, is hereby approved. The Funding Loan
6 Agreement shall be entered into by and among the City, the Funding Lender, and U.S. Bank
7 Trust Company, National Association, as Fiscal Agent (the “Fiscal Agent”). Each of the
8 Mayor, the Director, the Deputy Director of Housing of MOHCD, and any other Authorized
9 Officer of the Governmental Lender (as such terms are defined in the Funding Loan
10 Agreement), acting individually or collectively (each, an “Authorized City Representative”), is
11 hereby authorized to execute the Funding Loan Agreement, approved as to form by the City
12 Attorney of the City (the “City Attorney”), in substantially said form, together with such
13 additions thereto and changes therein as the City Attorney and Bond Counsel may approve or
14 recommend in accordance with Section 7 hereof.

15 Section 4. Approval of Project Loan Agreement. The Project Loan Agreement (the
16 “Project Loan Agreement”) by and among the City, the Fiscal Agent, and the Borrower, in the
17 form presented to the Board, a copy of which is on file with the Clerk of the Board in File
18 No. 251007, is hereby approved. Each Authorized City Representative is hereby authorized
19 to execute the Project Loan Agreement in substantially said form, together with such additions
20 thereto and changes therein as the City Attorney and Bond Counsel may approve or
21 recommend in accordance with Section 7 hereof.

22 Section 5. Approval of Regulatory Agreement and Declaration of Restrictive
23 Covenants. The Regulatory Agreement and Declaration of Restrictive Covenants (the
24 “Regulatory Agreement” and, together with the Funding Loan Agreement and the Project Loan
25 Agreement, the “City Documents”), between the City and the Borrower, in the form presented

1 to the Board, a copy of which is on file with the Clerk of the Board in File No. 251007, is
2 hereby approved. Each Authorized City Representative is hereby authorized to execute the
3 Regulatory Agreement, approved as to form by the City Attorney, in substantially said form,
4 together with such additions thereto and changes therein as the City Attorney and Bond
5 Counsel may approve or recommend in accordance with Section 7 hereof.

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

13 Section 7. Modifications, Changes, Additions. Any Authorized City Representative
14 executing the City Documents, in consultation with the City Attorney and Bond Counsel, is
15 hereby authorized to approve and make such modifications, amendments, changes, or
16 additions to the City Documents as may be necessary or advisable, including, without implied
17 limitation, changes to the titles of any City Documents, provided that such modification does
18 not authorize an aggregate principal amount of the Notes in excess of \$19,000,000 or an
19 aggregate principal amount of the tax-exempt portion of the Notes in excess of the Allocation
20 Amount, provide for a final maturity of the Notes later than forty (40) years from the date of
21 execution and delivery thereof, or provide for the Notes to bear interest at a rate in excess of
22 twelve percent (12%) per annum. The approval of any modification, addition, or change to
23 any of the aforementioned documents shall be evidenced conclusively by the execution and
24 delivery of the document in question.

1 Section 8. Execution of Documents. Any document authorized herein may be
2 executed in multiple counterparts, and any document authorized herein may be executed
3 using electronic means, to the extent permitted by applicable law and in consultation with the
4 City Attorney and Bond Counsel.

5 Section 9. Ratification. All actions heretofore taken by the officers and agents of the
6 City with respect to the Project, the funding loan, the project loan, and the execution and
7 delivery of the Notes consistent with the purposes of this resolution and the City Documents
8 are hereby approved, confirmed, and ratified.

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

1 Section 11. File. All documents referenced herein as being on file with the Clerk of
2 the Board are located in File No. 251007, which is hereby declared to be a part of this
3 Resolution as if set forth fully herein.

4 Section 12. Effective Date. This Resolution shall take effect upon its enactment.
5 Enactment occurs when the Mayor signs the Resolution, the Mayor returns the Resolution
6 unsigned or does not sign the Resolution within ten days of receiving it, or the Board of
7 Supervisors overrides the Mayor's veto of the Resolution.

8
9 APPROVED AS TO FORM:

10 DAVID CHIU
11 City Attorney

12 By: /s/
13 KENNETH DAVID ROUX
14 Deputy City Attorney

15 n:\legana\as2025\2600091\01870545.docx
16
17
18
19
20
21
22
23
24
25