

1 [Multifamily Housing Revenue Note - Sunnydale Block 7 Housing Partners, L.P. - Sunnydale  
2 HOPE SF Block 7 - 65 Santos Street - Not to Exceed \$53,305,000]

3 **Resolution approving for purposes of the Internal Revenue Codes of 1986, as**  
4 **amended, authorizing the execution and delivery of a multifamily housing revenue note**  
5 **in one or more series in an aggregate principal amount not to exceed \$53,305,000 for**  
6 **the purpose of providing financing for the construction of a 89-unit (including one**  
7 **manager unit) multifamily rental housing project located at 65 Santos Street, known as**  
8 **“Sunnydale HOPE SF Block 7”; approving the form of and authorizing the execution of**  
9 **a funding loan agreement, providing the terms and conditions of the loan from the**  
10 **funding lender to the City, and the execution and delivery of the note; approving the**  
11 **form of and authorizing the execution of a borrower loan agreement providing the**  
12 **terms and conditions of the loan from the City to Sunnydale Block 7 Housing Partners,**  
13 **L.P. (the “Borrower”); approving the form of and authorizing the execution of an**  
14 **amended and restated funding loan agreement which amends and restates the funding**  
15 **loan agreement on and after conversion; approving the form of and authorizing the**  
16 **execution of an amended and restated borrower loan agreement which amends and**  
17 **restates the borrower loan agreement on and after conversion; approving the form of**  
18 **and authorizing the execution of a regulatory agreement and declaration of restrictive**  
19 **covenants; authorizing the collection of certain fees; approving modifications, changes**  
20 **and additions to the documents; ratifying and approving any action heretofore taken in**  
21 **connection with the back-to-back loans, the note and the project; granting general**  
22 **authority to City officials to take actions necessary to implement this Resolution; and**  
23 **related matters, as defined herein.**

1           WHEREAS, The Board of Supervisors of the City and County of San Francisco (the  
2   “Board”) desires to provide for the financing of a portion of the costs of the construction by  
3   Sunnydale Block 7 Housing Partners, L.P., a California limited partnership (the “Borrower”), of  
4   an 89-unit (including one manager’s unit) residential rental development project located at 65  
5   Santos Street, San Francisco, California, known as “Sunnydale HOPE SF Block 7” (the  
6   “Project”), to provide housing for persons and families of low income through the execution  
7   and delivery of a multifamily housing revenue note in one or more series which may be  
8   taxable or tax-exempt (collectively, the “Note”); and

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

15          WHEREAS, The interest on the Note may qualify for federal tax exemption under the  
16   Internal Revenue Code of 1986, as amended (the “Code”), only if the Note is approved in  
17   accordance with the Section 147(f) of the Code; and

18          WHEREAS, The Board is the elected legislative body of the City and is the applicable  
19   elected representative authorized to approve the execution and delivery of the Note within the  
20   meaning of Section 147(f) of the Code; and

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

22          WHEREAS, On January 3, 2025, the City caused a notice stating that a public hearing  
23   with respect to the issuance of multifamily affordable housing mortgage revenue bonds or  
24   notes and their respective projects, pursuant to plans of financing, would be held by the  
25   Mayor’s Office of Housing and Community Development (“MOHCD”) on January 15, 2025, to

1 be published and appear in the Notices section of the MOHCD's website (at  
2 <https://sf.gov/information/mohcd-department-notices>), which is on file with the Clerk of the  
3 Board and incorporated herein by reference; and

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

7 WHEREAS, On December 11, 2024, the California Debt Limit Allocation Committee  
8 ("CDLAC") in its Resolution Number 24-263, allocated an amount not to exceed \$53,305,000  
9 (together with any future supplemental CDLAC allocation for the Project, the "Allocation  
10 Amount") in qualified private activity volume cap to the Project; and

11 WHEREAS, The documentation required for the execution and delivery of the Note is  
12 on file with the Clerk of the Board of Supervisors (the "Clerk of the Board"); and

13 WHEREAS, Each of the documents now before the Board in File No. 250286 is  
14 substantially in final form and is an appropriate instrument to be executed and delivered for  
15 the purposes intended; and

16 WHEREAS, The Board finds that the public interest and necessity require that the City  
17 at this time make arrangements for the funding loan, the borrower loan and the execution and  
18 delivery of the Note; and

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

1           WHEREAS, The City has engaged Kutak Rock LLP and Amira Jackmon, Attorney at  
2 Law, as co-special counsel with respect to the Note ("Co-Special Counsel"); and

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

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

17           WHEREAS, Once construction is completed, a portion of the aforesaid tax-exempt  
18 funding loan will convert to a permanent funding loan from the Permanent Funding Lender,  
19 and will not represent new or additional indebtedness of the Project that must be separately  
20 authorized by this Board; and

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

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

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 Note. The Board, as the applicable  
10 elected representative of the governmental unit having jurisdiction over the area in which the  
11 Project is located, hereby approves the plan of financing and the execution and delivery of its  
12 multifamily housing revenue note in one or more series, including, but not limited to the Note,  
13 pursuant to and for purposes of Section 147(f) of the Code. It is intended that this Resolution  
14 constitute approval of the Note by the applicable elected representative of the issuer of the  
15 Note and the applicable elected representative of the governmental unit having jurisdiction  
16 over the area in which the Project is located, in accordance with said Section 147(f).  
17 Additionally, in accordance with the Act and the Funding Loan Agreement, the City is hereby  
18 authorized to execute and deliver a note or notes in one or more series and subseries and  
19 designated as “City and County of San Francisco Multifamily Housing Revenue Note  
20 (Sunnydale HOPE SF Block 7) Series 2025E” or such other or with such additional  
21 designation as may be necessary or appropriate to distinguish such series from every other  
22 series of bonds or notes, in an aggregate principal amount not to exceed \$53,305,000,  
23 provided that any tax-exempt portion of the Note shall not exceed the Allocation Amount, with  
24 an interest rate not to exceed twelve percent (12%) per annum for the Note, and which shall  
25 have a final maturity date not later than forty (40) years from the date of execution and

1 delivery of the Note. The Note shall be in the form set forth in and otherwise in accordance  
2 with the Funding Loan Agreement and shall be executed by the manual or facsimile signature  
3 of the Mayor of the City (the "Mayor").

4       Section 3.   Approval of Funding Loan Agreement. The Funding Loan Agreement  
5 (the "Funding Loan Agreement") in the form presented to the Board, a copy of which is on file  
6 with the Clerk of the Board, is hereby approved. The Funding Loan Agreement shall be  
7 entered into by and among the City, the Construction Funding Lender and a fiscal agent to be  
8 named therein, as Fiscal Agent (the "Fiscal Agent"). Each of the Mayor, the Director (the  
9 "Director") of the MOHCD, the Deputy Director of Housing of MOHCD, and any other  
10 Authorized Officer (as such term is defined in the Funding Loan Agreement) or Authorized  
11 Governmental Lender Representative (as such term is defined in the Amended and Restated  
12 Funding Loan Agreement), acting individually or collectively (or a designee of such officer in  
13 writing, 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-Special Counsel may approve or recommend in accordance with  
17 Section 9 hereof.

18       Section 4.   Approval of Project Loan Agreement. The Borrower Loan Agreement  
19 (the "Borrower Loan Agreement") by and among the City, the Fiscal Agent and the Borrower,  
20 and the Assignment of Deed of Trust and Loan Documents, from the City to the Fiscal Agent  
21 for the benefit of the Funding Lender (the "Assignment"), in the forms presented to the Board,  
22 copies of which are on file with the Clerk of the Board, are hereby approved. Each Authorized  
23 City Representative is hereby authorized to execute the Borrower Loan Agreement and the  
24 Assignment, each approved as to form by the City Attorney, in substantially said forms,  
25

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

3 Section 5. Approval of Amended and Restated Funding Loan Agreement. The  
4 Amended and Restated Funding Loan Agreement in the form presented to the Board, a copy  
5 of which is on file with the Clerk of the Board, is hereby approved. The Amended and  
6 Restated Funding Loan Agreement shall be entered into by and among the City, Permanent  
7 Funding Lender and the Fiscal Agent. Each Authorized City Representative is hereby  
8 authorized to execute the Amended and Restated Funding Loan Agreement, approved as to  
9 form by the City Attorney, in substantially said form, together with such additions thereto and  
10 changes therein as the City Attorney and Co-Special Counsel may approve or recommend in  
11 accordance with Section 9 hereof.

12 Section 6. Approval of Amended and Restated Borrower Loan Agreement. The  
13 Amended and Restated Borrower Loan Agreement by and between the City and the  
14 Borrower, in the forms presented to the Board, a copy of which is on file with the Clerk of the  
15 Board, is hereby approved. Each Authorized City Representative is hereby authorized to  
16 execute the Amended and Restated Borrower Loan Agreement in substantially said form,  
17 together with such additions thereto and changes therein as the City Attorney and Co-Special  
18 Counsel may approve or recommend in accordance with Section 9 hereof.

19 Section 7. Approval of Regulatory Agreement and Declaration of Restrictive  
20 Covenants. The Regulatory Agreement and Declaration of Restrictive Covenants (the  
21 “Regulatory Agreement” and, together with the Funding Loan Agreement, the Assignment, the  
22 Borrower Loan Agreement, the Amended and Restated Funding Loan Agreement, and the  
23 Amended and Restated Borrower Loan Agreement, the “City Documents”), between the City  
24 and the Borrower, in the form presented to the Board, a copy of which is on file with the Clerk  
25 of the Board, is hereby approved. Each Authorized City Representative is hereby authorized

1 to execute the Regulatory Agreement, approved as to form by the City Attorney, in  
2 substantially said form, together with such additions thereto and changes therein as the City  
3 Attorney and Co-Special Counsel may approve or recommend in accordance with Section 9  
4 hereof.

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

12 Section 9. Modifications, Changes, and Additions. Any Authorized City  
13 Representative executing the City Documents, in consultation with the City Attorney and Co-  
14 Special Counsel, is hereby authorized to approve and make such modifications, amendments,  
15 changes or additions to the City Documents as may be necessary or advisable, provided that  
16 such modification does not authorize an aggregate principal amount of the Note in excess of  
17 \$53,305,000 or an aggregate principal amount of the tax-exempt portion of the Note in excess  
18 of the Allocation Amount, provide for a final maturity of the Note later than forty (40) years  
19 from the date of execution and delivery thereof, or provide for the Note to bear interest at a  
20 rate in excess of twelve percent (12%) per annum. The approval of any modification, addition  
21 or change to any of the aforementioned documents shall be evidenced conclusively by the  
22 execution and delivery of the document in question.

23 Section 10. Execution of Documents. Any document authorized herein may be  
24 executed in multiple counterparts and any document authorized herein, except the Note, the  
25 Regulatory Agreement, and the Assignment, may be signed using electronic means.



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

5           Section 12. General Authority. The proper officers of the City (including the  
6 Authorized City Representatives) are hereby authorized and directed, for and in the name and  
7 on behalf of the City, to do any and all things and take any and all actions and execute and  
8 deliver any and all certificates, agreements (including, without implied limitation, any tax-  
9 exemption documents, assignments allonges, endorsements, subordinations and such other  
10 agreements to provide adequate or additional security or indemnities as required by lenders to  
11 consummate the financing) and other documents and amendments, including but not limited  
12 to those documents described in the City Documents, in consultation with the City Attorney,  
13 which they, or any of them, may deem necessary or advisable in order to consummate the  
14 lawful execution and delivery of the Note and to effectuate the purposes thereof and of the  
15 City Documents. Any such actions are solely intended to further the purposes of this  
16 Resolution, and are subject in all respects to the terms of the Resolution. No such actions  
17 shall increase the risk to the City or require the City to spend any resources not otherwise  
18 contemplated herein. Final versions of such documents shall be provided to the Clerk of the  
19 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. 250286, which is hereby declared to be a part of this  
22 Resolution as if set forth fully herein.

23           Section 14. Effectiveness. This Resolution shall take effect from and after its adoption  
24 by the Board and approval by the Mayor.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

APPROVED AS TO FORM:  
DAVID CHIU  
City Attorney

By: /s/ Heidi J. Gewertz  
Heidi J. Gewertz  
Deputy City Attorney

n:\legana\as2025\2500265\01828257.docx