

1 [Multifamily Housing Revenue Note - Balboa Gateway LP - Balboa Reservoir - Building A -
2 Expected to be 105 Wisteria Lane (formerly known as 11 Frida Kahlo Way) - Not to Exceed
3 \$112,711,100]

3

4 **Resolution approving for purposes of the Internal Revenue Code of 1986, as amended,**
5 **and authorizing the execution and delivery of a multifamily housing revenue note in**
6 **one or more series in an aggregate principal amount not to exceed \$112,711,100 for the**
7 **purpose of providing financing for the construction of a 159-unit multifamily rental**
8 **housing project expected to be located at 105 Wisteria Lane (formerly known as 11**
9 **Frida Kahlo Way) and known as “Balboa Reservoir - Building A”;** approving the form of
10 and authorizing the execution of a funding loan agreement, providing the terms and
11 conditions of the loan from the funding lender to the City, and the execution and
12 delivery of the note; approving the form of and authorizing the execution of a project
13 loan agreement providing the terms and conditions of the loan from the City to Balboa
14 Gateway LP (the “Borrower”); approving the form of and authorizing the execution of a
15 regulatory agreement and declaration of restrictive covenants; authorizing the
16 collection of certain fees; approving modifications, changes and additions to the
17 documents; ratifying and approving any action heretofore taken in connection with the
18 back-to-back loans, the note and the project; granting general authority to City officials
19 to take actions necessary to implement this Resolution and related matters, as defined
20 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 construction by
24 Balboa Gateway LP, a California limited partnership (the “Borrower”), of a 159-unit (including
25 one manager’s unit) residential rental development project expected to be located at 105

1 Wisteria Lane (11 Frida Kahlo Way), San Francisco, California 94112, and known as “Balboa
2 Reservoir - Building A” (the “Project”), to provide housing for persons and families of low
3 income through the issuance of a multifamily housing revenue note in one or more series
4 which may be taxable or tax-exempt (collectively, the “Note”); 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, Article I of Chapter 43 of the
7 Administrative Code and, to the extent applicable, Chapter 7 of Part 5 of Division 31
8 (commencing with Section 52075) of the California Health and Safety Code, as now in effect
9 and as it may from time to time hereafter be amended or supplemented (collectively, the
10 “Act”); and

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

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

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

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

25

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

4 WHEREAS, On September 11, 2025, the California Debt Limit Allocation Committee
5 (“CDLAC”) revised its Resolution Number 25-215 to allocate an amount not to exceed
6 \$52,711,100 (the “Allocation Amount”) in qualified private activity volume cap to the Project;
7 and

8 WHEREAS, The documentation required for the execution and delivery of the Note is
9 on file with the Clerk of the Board; and

10 WHEREAS, Each of the documents now before the Board in File No. [_____] is
11 substantially in final form and is an appropriate instrument to be executed and delivered for
12 the purposes intended; and

13 WHEREAS, The Board finds that the public interest and necessity require that the City
14 at this time make arrangements for the funding loan, the project loan and the execution and
15 delivery of the Note; and

16 WHEREAS, The Note will be a limited obligation of the City, the sole source of
17 repayment of which shall be payments made by the Borrower under the Project Loan
18 Agreement (hereinafter defined), together with investment income, if any, of certain funds and
19 accounts held under the Funding Loan Agreement (hereinafter defined); and

20 WHEREAS, The City has engaged Kutak Rock LLP and Amira Jackmon, Attorney at
21 Law, as co-bond counsel with respect to the Note (collectively, “Bond Counsel”); and

22 WHEREAS, Wells Fargo Bank, National Association (or an affiliate thereof) (the
23 “Funding Lender”) has expressed its intention to make the funding loan, to be evidenced by
24 the Note, to the City and in connection therewith, the City, the Funding Lender and the
25 Borrower are to enter into certain documents, including without limitation, the Funding Loan

1 Agreement, the Project Loan Agreement, and certain assignments, allonges and other
2 ancillary documents; and

3 WHEREAS, The Borrower provided to the City the following information as a good faith
4 estimate of the cost of the Note financing and the City disclosed such information in
5 accordance with Section 5852.1 of the California Government Code: (a) the true interest cost
6 of the Note, (b) the finance charge of the Note, including all third party expenses, (c) the
7 amount of proceeds received by the City for the execution and delivery of the Note less the
8 finance charge of the Note and any reserves or capitalized interest paid or funded with the
9 proceeds of the Note and (d) the total payment amount (the "Financing Information");

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

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

14 Section 1. Approval of Recitals, the Board hereby finds and declares that the above
15 recitals are true and correct;

16 Section 2. Approval of Execution and Delivery of Note, the Board, as the applicable
17 elected representative of the governmental unit having jurisdiction over the area in which the
18 Project is located, hereby approves the plan of financing and the execution and delivery of its
19 multifamily housing revenue note in one or more series, pursuant to and for purposes of
20 Section 147(f) of the Code, it is intended that this Resolution constitute approval of the Note
21 by the applicable elected representative of the issuer of the Note and the applicable elected
22 representative of the governmental unit having jurisdiction over the area in which the Project
23 is located, in accordance with said Section 147(f);

24 Additionally, in accordance with the Act and the Funding Loan Agreement, the City is
25 hereby authorized to execute and deliver the Note in one or more series and subseries and

1 designated as “City and County of San Francisco Multifamily Housing Revenue Note (Balboa
2 Reservoir - Building A) Series 2026B” or such other or with such additional designation as
3 may be necessary or appropriate to distinguish such series from every other series of bonds
4 or notes, in an aggregate principal amount not to exceed \$112,711,100, provided that any tax-
5 exempt portion of the Note shall not exceed the Allocation Amount, with an interest rate not to
6 exceed 12% per annum for the Note, and which shall have a final maturity date not later than
7 40 years from the date of execution and delivery of the Note, the Note shall be in the form set
8 forth in and otherwise in accordance with the Funding Loan Agreement and shall be executed
9 by the manual or facsimile signature of the Mayor of the City (the “Mayor”);

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

22 Section 4. Approval of Project Loan Agreement, the Project Loan Agreement (the
23 “Project Loan Agreement”) by and among the City, the Fiscal Agent and the Borrower, in the
24 form presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby
25 approved. Each Authorized City Representative is hereby authorized to execute the Project

1 Loan Agreement, approved as to form by the City Attorney, in substantially said form, together
2 with such additions thereto and changes therein as the City Attorney and Bond Counsel may
3 approve or recommend in accordance with Section 7 hereof;

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

13 Section 6. Issuer Fees, the City, acting through MOHCD, shall charge an annual
14 issuer fee for monitoring compliance by the Borrower with certain provisions of the Regulatory
15 Agreement up to an amount provided for under its standard issuer fee policies, or at some
16 lesser amount if required upon the advice of Bond Counsel that such lesser amount is
17 necessary or advisable by the Code, the annual monitoring fee due during the construction
18 period shall be payable at Note closing, the Board hereby authorizes MOHCD to charge and
19 collect the fees described in this section;

20 Section 7. Modifications, Changes, Additions, any Authorized City Representative
21 executing the City Documents, in consultation with the City Attorney and Bond Counsel, is
22 hereby authorized to approve and make such modifications, amendments, changes or
23 additions to the City Documents as may be necessary or advisable, provided that such
24 modification does not authorize an aggregate principal amount of the Note in excess of
25 \$112,711,100 or an aggregate principal amount of the tax-exempt portion of the Note in

1 excess of the Allocation Amount, provide for a final maturity of the Note later than 40 years
2 from the date of execution and delivery thereof, or provide for the Note to bear interest at a
3 rate in excess of 12% per annum. The approval of any modification, addition or change to any
4 of the aforementioned documents shall be evidenced conclusively by the execution and
5 delivery of the document in question;

6 Section 8. Execution of Documents, any document authorized herein may be
7 executed in multiple counterparts, any such document may be executed by the applicable
8 Authorized City Representative by manual, facsimile, or electronic signature, as approved by
9 the City Attorney; provided, that any document required by law to be recorded, shall be
10 executed by manual signature;

11 Section 9. Ratification, all actions heretofore taken by the officers and agents of the
12 City with respect to the funding loan and the execution and delivery of the Note consistent
13 with the purposes of this resolution and the City Documents are hereby approved, confirmed
14 and ratified;

15 Section 10. General Authority, the proper officers of the City (including the Authorized
16 City Representatives) are hereby authorized and directed, for and in the name and on behalf
17 of the City, to do any and all things and take any and all actions and execute and deliver any
18 and all certificates, agreements (including, without implied limitation, any tax-exemption
19 documents, assignments, allonges, endorsements, subordinations, and such other
20 agreements to provide adequate or additional security or indemnities as required by lenders to
21 consummate the financing) and other documents and amendments, including but not limited
22 to those documents described in the City Documents, in consultation with the City Attorney,
23 which they, or any of them, may deem necessary or advisable in order to consummate the
24 lawful execution and delivery of the Note and to effectuate the purposes thereof and of the
25 City Documents, any such actions are solely intended to further the purposes of this

