

1 [Multifamily Housing Revenue Notes - Sunnydale HOPE SF Block 3A - Not to Exceed
2 \$68,761,006]

3 **Resolution authorizing the execution and delivery of a multifamily housing revenue**
4 **note (tax-exempt) in a principal amount not to exceed \$43,761,006 and a multifamily**
5 **housing revenue note (taxable) in an aggregate principal amount not to exceed**
6 **\$25,000,000 for the purpose of providing financing for the construction of a 80-unit**
7 **multifamily rental housing project known as "Sunnydale HOPE SF Block 3A", for a total**
8 **amount not to exceed \$68,761,006; approving the form of and authorizing the execution**
9 **of a funding loan agreement providing the terms and conditions of the loan from the**
10 **funding lender identified therein to the City and for the execution and delivery of the**
11 **notes; approving the form of and authorizing the execution of a borrower loan**
12 **agreement providing the terms and conditions of the loan from the City to the**
13 **borrower; approving the form of and authorizing the execution of a regulatory**
14 **agreement and declaration of restrictive covenants; approving the form of and**
15 **authorizing the execution of an assignment of deed of trust and loan documents;**
16 **authorizing the collection of certain fees; approving, for purposes of the Internal**
17 **Revenue Code of 1986, as amended, the issuance, execution and delivery of residential**
18 **mortgage revenue bonds by the City in an aggregate principal amount not to exceed**
19 **\$53,000,000 (tax-exempt); approving modifications, changes and additions to the**
20 **documents; ratifying and approving any action heretofore taken in connection with the**
21 **back-to-back loans, the notes and the project; granting general authority to City**
22 **officials to take actions necessary to implement this Resolution, as defined herein; 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 3A Housing Partners, L.P., a California limited partnership (the “Borrower”),
4 of a 80-unit residential rental housing development located at 1545 Sunnydale Avenue in San
5 Francisco, California, known as “Sunnydale HOPE SF Block 3A” (the “Project”), to provide
6 housing for persons and families of very low income through the issuance of a multifamily
7 housing revenue notes; and

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

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

15 WHEREAS, This Board of Supervisors is the elected legislative body of the City and is
16 the applicable elected representative authorized to approve the issuance of the Notes
17 (hereinafter defined) within the meaning of Section 147(f) of the Code; and

18 WHEREAS, This Board on June 28, 2022, adopted Resolution No. 306-22, declaring
19 the intent of the City to reimburse certain Project expenditures from proceeds of future
20 multifamily housing revenue bonds, for purposes of Section 1.150-2 of the U.S. Treasury
21 Regulations, in an amount not to exceed \$74,000,000 (\$60,000,000 for tax-exempt and
22 \$14,000,000 for taxable); and

23 WHEREAS, On December 5, 2022, the City caused a notice to be published in the
24 Notices section of the Mayor’s Office of Housing and Community Development website (at
25 <https://sfmohcd.org/notices-0>) stating that a public hearing with respect to the issuance of the

1 tax-exempt multifamily housing revenue bonds for the Project, pursuant to Section 147(f) of
2 the Code, would be held by the Mayor's Office of Housing and Community Development on
3 December 13, 2022; and

4 WHEREAS, The Mayor's Office of Housing and Community Development ("MOHCD")
5 held the duly noticed public hearing described above on December 13, 2022, at which hearing
6 an opportunity was provided for persons to comment on the execution and delivery of the
7 Note and the Project; and

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

10 WHEREAS, The City is a governmental unit having jurisdiction over the area in which
11 the Project is located, and the Board is the applicable elected legislative body of the City
12 authorized to approve the issuance of tax-exempt bonds and notes for purposes of Section
13 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), and now wishes to
14 approve the issuance of the Notes in order to satisfy the public approval requirements of
15 Section 147(f) of the Code; and

16 WHEREAS, On November 30, 2022, the California Debt Limit Allocation Committee
17 (CDLAC) in its Resolution No. 22-274 allocated an amount not to exceed \$43,761,006 in
18 qualified private activity bond allocation cap to the Project; and

19 WHEREAS, There has been prepared and presented to this Board for consideration at
20 this meeting the documentation required for the execution and delivery of the Notes, and such
21 documentation is on file with the Clerk of the Board of Supervisors (the "Clerk of the Board");
22 and

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

1 WHEREAS, This Board finds that the public interest and necessity require that the City
2 at this time make arrangements for the funding loan, the borrower loan, and the execution and
3 delivery of the Notes and related documents; and

4 WHEREAS, The Notes will be a limited obligation of the City, the sole source of
5 repayment of which shall be payments made by the Borrower under the Borrower Loan
6 Agreement (hereinafter defined) together with investment income on monies in certain funds
7 and accounts held under the Funding Loan Agreement (hereinafter defined); and

8 WHEREAS, The City has engaged Orrick, Herrington & Sutcliffe LLP and Husch
9 Blackwell LLP, as co-special counsel with respect to the Notes (“Co-Special Counsel”); and

10 WHEREAS, Wells Fargo Bank, National Association, a national banking association
11 (the “Funding Lender”) has expressed its intention to lend to the City the loan contemplated by
12 the Funding Loan Agreement in exchange for the Note authorized hereby; now, therefore, be
13 it

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

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

18 Section 2. Approval of Execution and Delivery of the Notes. In accordance with the
19 Act, the Funding Loan Agreement and the Borrower Loan Agreement, the City is hereby
20 authorized to execute and deliver the Notes designated as “City and County of San Francisco
21 Multifamily Housing Revenue Note (Sunnydale HOPE SF Block 3A) Series 2023E-1 (Tax-
22 Exempt)” in an aggregate principal amount not to exceed \$43,761,006 and City and County of
23 San Francisco Multifamily Housing Revenue Note (Sunnydale HOPE SF Block 3A) Series
24 2023E-2 (Taxable) in amount not to exceed \$25,000,000 (together, referred to in this
25 Resolution as the “Notes”), with an interest rate not to exceed twelve percent (12%) per

1 annum for the Notes, and which shall have a final maturity date not later than forty (40) years
2 from the date of execution and delivery of the Notes. The Notes shall be in the form set forth
3 in and otherwise in accordance with the Funding Loan Agreement and shall be executed by
4 the manual signature of the Mayor of the City (the "Mayor").

5 Section 3. Approval of Funding Loan Agreement. The Funding Loan Agreement (the
6 "Funding Loan Agreement") in the form presented to the Board, a copy of which is on file with
7 the Clerk of the Board, is hereby approved. The Funding Loan Agreement shall be entered
8 into by and among the City, the Funding Lender and U.S. Bank Trust Company, National
9 Association, a national banking association (the "Fiscal Agent"). Each of the Mayor, the
10 Director, the Housing Development Director of MOHCD or any other Authorized
11 Representative (as such term is defined in the Funding Loan Agreement) of the City, or a
12 designee thereof, is hereby authorized to execute the Funding Loan Agreement, approved as
13 to form by the City Attorney of the City (the "City Attorney"), in said form, together with such
14 additions thereto and changes therein as the City Attorney and Co-Special Counsel may
15 approve or recommend in accordance with Section 8 hereof.

16 Section 4. Approval of Borrower Loan Agreement. The Borrower Loan Agreement (the
17 "Borrower Loan Agreement") by and between the City and the Borrower, in the form
18 presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby
19 approved. Each Authorized Representative of the City, or a designee thereof, is hereby
20 authorized to execute the Borrower Loan Agreement, approved as to form by the City
21 Attorney, in said form, together with such additions thereto and changes therein as the City
22 Attorney and Co-Special Counsel may approve or recommend in accordance with Section 8
23 hereof.

24 Section 5. Approval of Regulatory Agreement and Declaration of Restrictive
25 Covenants. The Regulatory Agreement and Declaration of Restrictive Covenants (the

1 "Regulatory Agreement" and together with the Funding Loan Agreement, the Assignment,
2 (defined below) and the Borrower Loan Agreement, the "City Documents"), between the City
3 and the Borrower, in the form presented to the Board, a copy of which is on file with the Clerk
4 of the Board, is hereby approved. Each Authorized Representative of the City, or a designee
5 thereof, is hereby authorized to execute the Regulatory Agreement, approved as to form by
6 the City Attorney, in said form, together with such additions thereto and changes therein as
7 the City Attorney and Co-Special Counsel may approve or recommend in accordance with
8 Section 8 hereof.

9 Section 6. Approval of Assignment of Deed of Trust and Related Documents. The
10 Assignment of Deed of Trust and Loan Documents, from the City to the Fiscal Agent (the
11 "Assignment"), in the form presented to this Board, a copy of which is on file with the Clerk of
12 the Board, is hereby approved. Each Authorized Representative of the City, or a designee
13 thereof, is hereby authorized to execute the Assignment, in said form, together with such
14 additions thereto and changes therein as the City Attorney and Co-Special Counsel may
15 approve or recommend in accordance with Section 8 hereof.

16 Section 7. Issuer Fees. The City, acting through MOHCD, shall charge an annual fee
17 for monitoring the compliance by the Borrower with certain provisions of the Regulatory
18 Agreement in an amount not to exceed 0.125% of the average outstanding aggregate
19 principal amount of the Notes, but no less than \$2,500 annually, for the term of the Regulatory
20 Agreement. The initial monitoring fee shall be payable at the time of, and contingent upon,
21 the closing for the Notes. The Board hereby authorizes MOHCD to charge and collect the
22 fees described in this section.

23 Section 8. Modifications, Changes, Additions. Any Authorized Representative of the
24 City executing the City Documents, in consultation with the City Attorney and Co-Special
25 Counsel, is hereby authorized to approve and make such modifications, changes or additions

1 to the City Documents as may be necessary or advisable, provided that such modification
2 does not authorize an aggregate principal amount of the Tax-Exempt Note in excess of
3 \$43,761,006, provide for a final maturity of the Notes more than forty (40) years, or provide for
4 the Notes to bear interest at a rate in excess of twelve percent (12%) per annum. The
5 approval of any modification, addition or change to any of the aforementioned documents
6 shall be evidenced conclusively by the execution and delivery of the document in question by
7 an Authorized Representative of the City or a designee thereof.

8 Section 9. Ratification. All actions heretofore taken by the officers and agents of the
9 City with respect to the funding loan and the execution and delivery of the Notes as consistent
10 with the City Documents and this Resolution, are hereby approved, confirmed and ratified.

11 Section 10. Public Approval. The Board, as the applicable elected representative of
12 the governmental unit having jurisdiction over the area in which the Project is located, hereby
13 approves the issuance of the Notes in the aggregate principal amount not to exceed
14 \$53,000,000, for purposes of Section 147(f) of the Code.

15 Section 11. General Authority. The proper officers of the City (including the Authorized
16 Representatives of the City or designee thereof) are hereby authorized and directed, for and
17 in the name and on behalf of the City, to do any and all things and take any and all actions
18 and execute and deliver any and all certificates, assignments, agreements (including such
19 agreements to provide adequate or additional security or indemnities as required by lenders to
20 consummate the financing) and other documents and amendments, including but not limited
21 to those documents described in the City Documents, which they, or any of them, in
22 consultation with the City Attorney, may deem necessary or advisable in order to consummate
23 the lawful execution and delivery of the Notes and to effectuate the purposes thereof and of
24 the City Documents. Any such actions are solely intended to further the purposes of this
25 Resolution, and are subject in all respects to the terms of the Resolution. No such actions

1 shall increase the risk to the City or require the City to spend any resources not otherwise
2 granted herein. Final versions of any such documents shall be provided to the Clerk of the
3 Board for inclusion in the official file within thirty (30) days of execution by all parties.

4 Section 12. File. All documents referenced herein as being on file with the Clerk of the
5 Board are located in File No. 230376, which is hereby declared to be a part of this Resolution
6 as if set forth fully herein.

7 Section 13. Effectiveness. This Resolution shall take effect from and after its adoption
8 by the Board and approval by the Mayor.

9
10 APPROVED AS TO FORM:

11 DAVID CHIU
12 City Attorney

13 By: /s/

14 HEIDI J. GEWERTZ
15 Deputy City Attorney
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City and County of San Francisco

Tails Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 230376

Date Passed: April 25, 2023

Resolution authorizing the execution and delivery of a multifamily housing revenue note (tax-exempt) in a principal amount not to exceed \$43,761,006 and a multifamily housing revenue note (taxable) in an aggregate principal amount not to exceed \$25,000,000 for the purpose of providing financing for the construction of a 80-unit multifamily rental housing project known as "Sunnydale HOPE SF Block 3A," for a total amount not to exceed \$68,761,006; approving the form of and authorizing the execution of a funding loan agreement providing the terms and conditions of the loan from the funding lender identified therein to the City and for the execution and delivery of the notes; approving the form of and authorizing the execution of a borrower loan agreement providing the terms and conditions of the loan from the City to the borrower; approving the form of and authorizing the execution of a regulatory agreement and declaration of restrictive covenants; approving the form of and authorizing the execution of an assignment of deed of trust and loan documents; authorizing the collection of certain fees; approving, for purposes of the Internal Revenue Code of 1986, as amended, the issuance, execution and delivery of residential mortgage revenue bonds by the City in an aggregate principal amount not to exceed \$53,000,000 (tax-exempt); approving modifications, changes and additions to the documents; ratifying and approving any action heretofore taken in connection with the back-to-back loans, the notes and the project; granting general authority to City officials to take actions necessary to implement this Resolution, as defined herein; and related matters, as defined herein.

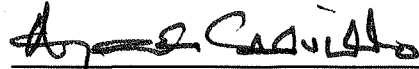
April 19, 2023 Budget and Finance Committee - RECOMMENDED

April 25, 2023 Board of Supervisors - ADOPTED


Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 230376

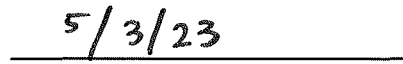
I hereby certify that the foregoing
Resolution was ADOPTED on 4/25/2023 by
the Board of Supervisors of the City and
County of San Francisco.



Angela Calvillo
Clerk of the Board



London N. Breed
Mayor



Date Approved