FILE NO. 241133 RESOLUTION NO. 608-24

[Multifamily Housing Revenue Notes - Casa Adelante SVN Housing, L.P. - 1515 South Van Ness Avenue - Not to Exceed $107,642,319]

Resolution authorizing the execution and delivery of multifamily housing revenue notes in one or more series in an aggregate principal amount not to exceed $107,642,319 for the purpose of providing financing for the construction of a 168-unit multifamily rental housing project known as "Casa Adelante 1515 South Van Ness," located at 1515 South Van Ness Avenue; approving the form of and authorizing the execution of a funding loan agreement providing the terms and conditions of the funding loan from the funding lender to the City, and the execution and delivery of the notes; approving the form of and authorizing the execution of a project loan agreement providing the terms and conditions of the project loan from the City to the borrower; approving the form of and authorizing the execution of a regulatory agreement and declaration of restrictive covenants for the project; authorizing the collection of certain fees; approving, for purposes of the Internal Revenue Code of 1986, as amended, the execution and delivery of residential mortgage revenue notes by the City in an aggregate principal amount not to exceed $107,642,319; approving modifications, changes, and additions to the documents; ratifying and approving any action heretofore taken in connection with the funding loan, the project loan, 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.

WHEREAS, The Board of Supervisors (the "Board") of the City and County of San Francisco (the "City") desires to provide for the financing of a portion of the costs of the acquisition and new construction by Casa Adelante SVN Housing, L.P., a California limited partnership (the "Borrower"), of a 168-unit residential rental development project (the

"Project") located at 1515 South Van Ness Avenue, to provide housing for persons and families of low income through the execution and delivery of multifamily housing revenue notes, in one or more series which may be taxable or tax-exempt (collectively, the "Notes"); and

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

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

WHEREAS, On April 2, 2024, the Mayor executed and delivered an Inducement Certificate with respect to the Project; and

WHEREAS, On August 6, 2024, CDLAC adopted its Resolution No. 24-180, allocating an amount not to exceed $82,142,319 (together with any future supplemental CDLAC allocation for the Project, the "Allocation Amount") in qualified private activity bond volume cap to the Project; and

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

WHEREAS, Each of the documents which is now before this Board is substantially in final form and is an appropriate instrument to be executed and delivered for the purposes intended; and

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

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

WHEREAS, The City has engaged Jones Hall, A Professional Law Corporation and Amira Jackmon, Attorney at Law, as co-bond counsel with respect to the Notes ("Co-Bond Counsel"); and

WHEREAS, JPMorgan Chase Bank, N.A. (or an affiliate thereof) (the "Funding Lender") has expressed its intention to make the construction funding loan, to be evidenced by the Notes, and, in connection therewith, the City, the Funding Lender, and the Borrower are to enter into certain documents for the construction funding loan, including without limitation the Funding Loan Agreement, the Project Loan Agreement, and certain assignments, allonges, and other ancillary documents; and

WHEREAS, The interest on the Notes may qualify for tax exemption under Section 103 of the Internal Revenue Code of 1986, as amended ("Code"), only if the Notes are approved by an applicable elected representative of a governmental unit having jurisdiction over the area in which the Project is located in accordance with Section 147(f) of the Code; and

WHEREAS, The City is a governmental unit having jurisdiction over the area in which the Project is located and now wishes to approve the issuance of the Notes in order to satisfy the public approval requirements of Section 147(f) of the Code; and

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

WHEREAS, On August 16, 2024, the City caused a notice stating that a public hearing with respect to the issuance of the Notes would be held by MOHCD on August 28, 2024, published in the Notices section of the MOHCD website (at https://sfmohcd.org/notices-0); now, therefore, be it

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

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

Section 2. Approval of Execution and Delivery of Notes. In accordance with the Act and the Funding Loan Agreement, the City is hereby authorized to execute and deliver the Notes in one or more series designated as "City and County of San Francisco Multifamily Housing Revenue Notes (Casa Adelante 1515 South Van Ness), Series 2025A" or such other or such additional designations as may be necessary or appropriate to distinguish such series from every other series of bonds or notes, in an aggregate principal amount not to exceed \$107,642,319, provided that any tax-exempt portion of the Notes shall not exceed the Allocation Amount. The Notes shall bear interest at a rate not to exceed twelve percent (12%) per annum, and shall have a final maturity date not later than forty (40) years from their date of execution and delivery. The Notes shall be in the forms set forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed by the manual or facsimile signature of the Mayor.

Section 3. Approval of Funding Loan Agreement. The Funding Loan Agreement (the "Funding Loan Agreement") in the form presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby approved. The Funding Loan Agreement shall be entered into by and among the City, the Funding Lender, and U.S. Bank Trust Company, National Association, as Fiscal Agent (the "Fiscal Agent"). Each of the Mayor, the Director, the Deputy Director of Housing of MOHCD, and any other Authorized Officer of the Governmental Lender (as such terms are defined in the Funding Loan Agreement), acting individually or collectively (each, an "Authorized City Representative"), is hereby authorized to execute the Funding Loan Agreement, approved as to form by the City Attorney of the City (the "City Attorney"), in substantially said form, together with such additions thereto and changes therein as the City Attorney and Co-Bond Counsel may approve or recommend in accordance with Section 7 hereof.

Section 4. Approval of Project Loan Agreement. The Project Loan Agreement (the "Project Loan Agreement") by and among the City, the Fiscal Agent, and the Borrower, in the form presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby approved. Each Authorized City Representative is hereby authorized to execute the Project Loan Agreement in substantially said form, together with such additions thereto and changes therein as the City Attorney and Co-Bond Counsel may approve or recommend in accordance with Section 7 hereof.

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

Section 6. Issuer Fees. The City, acting through MOHCD, shall charge an annual issuer fee for monitoring the restricted units in the Project up to an amount provided for under its standard issuer fee policies, or at some lesser amount if required by federal tax law applicable to the Notes. The annual monitoring fee due during the construction period shall be payable at funding loan closing. The Board hereby authorizes MOHCD to charge and collect the fees described in this section.

Section 7. Modifications, Changes, Additions. Any Authorized City Representative executing the City Documents, in consultation with the City Attorney and Co-Bond Counsel, is hereby authorized to approve and make such modifications, amendments, changes, or additions to the City Documents as may be necessary or advisable, including, without implied limitation, changes to the titles of any City Documents, provided that such modification does not authorize an aggregate principal amount of the Notes in excess of $107,642,319 or an aggregate principal amount of the tax-exempt portion of the Notes in excess of the Allocation Amount, provide for a final maturity of the Notes later than forty (40) years from the date of execution and delivery thereof, or provide for the Notes to bear interest at a rate in excess of twelve percent (12%) per annum. The approval of any modification, addition, or change to any of the aforementioned documents shall be evidenced conclusively by the execution and delivery of the document in question.

Section 8. Public Approval. The Board, as the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located, hereby approves the issuance of the Notes in the aggregate principal amount not to exceed $82,142,319, for purposes of Section 147(f) of the Code.

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

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

Section 11. File. All documents referenced herein as being on file with the Clerk of the Board are located in File No. 241133, which is hereby declared to be a part of this Resolution as if set forth fully herein.

Section 12. Effective Date. This Resolution shall take effect when the Mayor signs the Resolution, the Mayor returns the Resolution unsigned or does not sign the Resolution within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the Resolution.

APPROVED AS TO FORM:
DAVID CHIU
City Attorney

By: /s/ Kenneth D. Roux
KENNETH D. ROUX
Deputy City Attorney

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City and County of San Francisco

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

Tails

Resolution

File Number: 241133 **Date Passed:** December 10, 2024

Resolution authorizing the execution and delivery of multifamily housing revenue notes in one or more series in an aggregate principal amount not to exceed $107,642,319 for the purpose of providing financing for the construction of a 168-unit multifamily rental housing project known as "Casa Adelante 1515 South Van Ness," located at 1515 South Van Ness Avenue; approving the form of and authorizing the execution of a funding loan agreement providing the terms and conditions of the funding loan from the funding lender to the City, and the execution and delivery of the notes; approving the form of and authorizing the execution of a project loan agreement providing the terms and conditions of the project loan from the City to the borrower; approving the form of and authorizing the execution of a regulatory agreement and declaration of restrictive covenants for the project; authorizing the collection of certain fees; approving, for purposes of the Internal Revenue Code of 1986, as amended, the execution and delivery of residential mortgage revenue notes by the City in an aggregate principal amount not to exceed $107,642,319; approving modifications, changes, and additions to the documents; ratifying and approving any action heretofore taken in connection with the funding loan, the project loan, 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.

December 04, 2024 Budget and Finance Committee - RECOMMENDED

December 10, 2024 Board of Supervisors - ADOPTED

Ayes: 10 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai and Walton

File No. 241133

I hereby certify that the foregoing Resolution was ADOPTED on 12/10/2024 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

12/12/24
Date Approved