

1 [Multifamily Housing Revenue Note - 11 Innes Court (“Hunters Point Shipyard Block 56”) - Not  
2 to Exceed \$36,361,354]

3 **Resolution authorizing the execution and delivery of a multifamily housing revenue**  
4 **note in a principal amount not to exceed \$36,361,354 for the purpose of providing**  
5 **financing for the construction of a 73-unit multifamily rental housing project known as**  
6 **“Hunters Point Shipyard Block 56”; approving the form of and authorizing the**  
7 **execution of a funding loan agreement providing the terms and conditions of the loan**  
8 **from the funding lender identified therein to the City and for the execution and delivery**  
9 **of the note; approving the form of and authorizing the execution of a borrower loan**  
10 **agreement providing the terms and conditions of the loan from the City to the**  
11 **borrower; approving the form of and authorizing the execution of a regulatory**  
12 **agreement and declaration of restrictive covenants; approving the form of and**  
13 **authorizing the execution of an assignment of deed of trust and related documents;**  
14 **authorizing the collection of certain fees; approving modifications, changes and**  
15 **additions to the documents; ratifying and approving any action heretofore taken in**  
16 **connection with the back-to-back loans, the note and the project; granting general**  
17 **authority to City officials to take actions necessary to implement this Resolution, as**  
18 **defined herein; and related matters, as defined herein.**

19  
20 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the  
21 “Board”) desires to provide for the financing of a portion of the costs of the construction by  
22 Hunters Point Block 56, L.P., a California limited partnership (the “Borrower”), of a 73-unit  
23 residential rental housing development located at 11 Innes Court in San Francisco, California,  
24 known as “Hunters Point Shipyard Block 56” (the “Project”), to provide housing for persons  
25

1 and families of very low income through the issuance of a multifamily housing revenue note;  
2 and

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

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

10 WHEREAS, This Board of Supervisors is the elected legislative body of the City and is  
11 the applicable elected representative authorized to approve the issuance of the Note  
12 (hereinafter defined) within the meaning of Section 147(f) of the Code; and

13 WHEREAS, This Board on July 26, 2022, adopted Resolution No. 355-22, declaring  
14 the intent of the City to reimburse certain Project expenditures from proceeds of future tax-  
15 exempt multifamily housing revenue bonds, for purposes of Section 1.150-2 of the U.S.  
16 Treasury Regulations, in an amount not to exceed \$51,193,200; and

17 WHEREAS, On December 5, 2022, the City caused a notice to be published in the  
18 Notices section of the Mayor’s Office of Housing and Community Development website (at  
19 <https://sfmohcd.org/notices-0>) stating that a public hearing with respect to the issuance of the  
20 tax-exempt multifamily housing revenue bonds for the Project, pursuant to Section 147(f) of  
21 the Code, would be held by the Mayor’s Office of Housing and Community Development on  
22 December 13, 2022; and

23 WHEREAS, The Mayor’s Office of Housing and Community Development (“MOHCD”)  
24 held the duly noticed public hearing described above on December 13, 2022, at which hearing

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1 an opportunity was provided for persons to comment on the execution and delivery of the  
2 Note and the Project; and

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

5 WHEREAS, On November 30, 2022, the California Debt Limit Allocation Committee  
6 (CDLAC) in its Resolution Number 22-258 allocated an amount not to exceed \$36,361,354 in  
7 qualified private activity bond allocation cap to the Project; and

8 WHEREAS, There has been prepared and presented to this Board for consideration at  
9 this meeting the documentation required for the execution and delivery of the Note, and such  
10 documentation is on file with the Clerk of the Board of Supervisors (the "Clerk of the Board");  
11 and

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

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

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

22 WHEREAS, The City has engaged Arent Fox Schiff LLP and Husch Blackwell LLP, as  
23 co-special counsel with respect to the Note ("Co-Special Counsel"); and

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1           WHEREAS, Bank of America, N.A., a national banking association (the “Funding  
2 Lender”) has expressed its intention to lend to the City the loan contemplated by the Funding  
3 Loan Agreement in exchange for the Note authorized hereby; now, therefore, be it

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

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

8           Section 2. Approval of Execution and Delivery of Note. In accordance with the Act, the  
9 Funding Loan Agreement and the Borrower Loan Agreement, the City is hereby authorized to  
10 execute and deliver the Note designated as “City and County of San Francisco Multifamily  
11 Housing Revenue Note (Hunters Point Shipyard Block 56) Series 2023C” in an aggregate  
12 principal amount not to exceed \$36,361,354 (referred to in this Resolution as the “Note”), with  
13 an interest rate not to exceed twelve percent (12%) per annum for the Note, and which shall  
14 have a final maturity date not later than forty (40) years from the date of execution and  
15 delivery of the Note. The Note shall be in the form set forth in and otherwise in accordance  
16 with the Funding Loan Agreement and shall be executed by the manual signature of the  
17 Mayor of the City (the “Mayor”).

18           Section 3. Approval of Funding Loan Agreement. The Funding Loan Agreement (the  
19 “Funding Loan Agreement”) in the form presented to the Board, a copy of which is on file with  
20 the Clerk of the Board, is hereby approved. The Funding Loan Agreement shall be entered  
21 into by and among the City, the Funding Lender and a trust company, a state banking  
22 corporation or a national banking association with the authority to accept trusts in the State of  
23 California, selected by the Director of MOHCD (the “Director”) and otherwise meeting the  
24 requirements of the Funding Loan Agreement (the “Fiscal Agent”). Each of the Mayor, the  
25 Director, the Housing Development Director of MOHCD or any other Authorized

1 Representative (as such term is defined in the Funding Loan Agreement) of the City, or a  
2 designee thereof, is hereby authorized to execute the Funding Loan Agreement, approved as  
3 to form by the City Attorney of the City (the "City Attorney"), in said form, together with such  
4 additions thereto and changes therein as the City Attorney and Co-Special Counsel may  
5 approve or recommend in accordance with Section 8 hereof.

6 Section 4. Approval of Borrower Loan Agreement. The Borrower Loan Agreement (the  
7 "Borrower Loan Agreement") by and among the City, the Fiscal Agent and the Borrower, in  
8 the form presented to the Board, a copy of which is on file with the Clerk of the Board, is  
9 hereby approved. Each Authorized Representative of the City, or a designee thereof, is  
10 hereby authorized to execute the Borrower Loan Agreement, approved as to form by the City  
11 Attorney, in said form, together with such additions thereto and changes therein as the City  
12 Attorney and Co-Special Counsel may approve or recommend in accordance with Section 8  
13 hereof.

14 Section 5. Approval of Regulatory Agreement and Declaration of Restrictive  
15 Covenants. The Regulatory Agreement and Declaration of Restrictive Covenants (the  
16 "Regulatory Agreement" and together with the Funding Loan Agreement, the Assignment,  
17 (defined below) and the Borrower Loan Agreement, the "City Documents"), between the City  
18 and the Borrower, in the form presented to the Board, a copy of which is on file with the Clerk  
19 of the Board, is hereby approved. Each Authorized Representative of the City, or a designee  
20 thereof, is hereby authorized to execute the Regulatory Agreement, approved as to form by  
21 the City Attorney, in said form, together with such additions thereto and changes therein as  
22 the City Attorney and Co-Special Counsel may approve or recommend in accordance with  
23 Section 8 hereof.

24 Section 6. Approval of Assignment of Deed of Trust and Related Documents. The  
25 Assignment of Deed of Trust and Related Documents, from the City to the Funding Lender

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

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

13 Section 8. Modifications, Changes, Additions. Any Authorized Representative of the  
14 City executing the City Documents, in consultation with the City Attorney and Co-Special  
15 Counsel, is hereby authorized to approve and make such modifications, changes or additions  
16 to the City Documents as may be necessary or advisable, provided that such modification  
17 does not authorize an aggregate principal amount of the Note in excess of \$36,361,354,  
18 provide for a final maturity of the Note more than forty (40) years, or provide for the Note to  
19 bear interest at a rate in excess of twelve percent (12%) per annum. The approval of any  
20 modification, addition or change to any of the aforementioned documents shall be evidenced  
21 conclusively by the execution and delivery of the document in question by an Authorized  
22 Representative of the City or a designee thereof.

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

1           Section 10. General Authority. The proper officers of the City (including the Authorized  
2 Representatives of the City or designee thereof) are hereby authorized and directed, for and  
3 in the name and on behalf of the City, to do any and all things and take any and all actions  
4 and execute and deliver any and all certificates, assignments, agreements (including such  
5 agreements to provide adequate or additional security or indemnities as required by lenders to  
6 consummate the financing) and other documents and amendments, including but not limited  
7 to those documents described in the City Documents, which they, or any of them, in  
8 consultation with the City Attorney, may deem necessary or advisable in order to consummate  
9 the lawful execution and delivery of the Note and to effectuate the purposes thereof and of the  
10 City Documents. Any such actions are solely intended to further the purposes of this  
11 Resolution, and are subject in all respects to the terms of the Resolution. No such actions  
12 shall increase the risk to the City or require the City to spend any resources not otherwise  
13 granted herein. Final versions of any such documents shall be provided to the Clerk of the  
14 Board for inclusion in the official file within thirty (30) days of execution by all parties.

15           Section 11. File. All documents referenced herein as being on file with the Clerk of the  
16 Board are located in File No. 230225, which is hereby declared to be a part of this Resolution  
17 as if set forth fully herein.

18           Section 12. Effectiveness. This Resolution shall take effect from and after its adoption  
19 by the Board and approval by the Mayor.

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21 APPROVED AS TO FORM:  
22 DAVID CHIU, City Attorney

23 By: /s/ KENNETH D. ROUX  
24       KENNETH D. ROUX  
      Deputy City Attorney

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