FILE NO. 240336 RESOLUTION NO.

[Multifamily Housing Revenue Note - 2550 Irving Associates, L.P. - Not to Exceed $63,846,000]

Resolution authorizing the execution and delivery of a multifamily housing revenue note in one or more series in an aggregate principal amount not to exceed $63,846,000 for the purpose of providing financing for the construction of a 90-unit multifamily rental housing project known as "2550 Irving"; 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 to the City, and the execution and delivery of the note; approving the form of and authorizing the execution of a project 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 an assignment of deed of trust and loan documents; approving the form of and authorizing the execution of a regulatory agreement and declaration of restrictive covenants; authorizing the collection of certain fees; approving modifications, changes and additions to the documents; ratifying and approving any action heretofore taken in connection with the back-to-back loans, the note 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 of the City and County of San Francisco (the "Board") desires to provide for the financing of a portion of the costs of the construction by 2550 Irving Associates, L.P. (the "Borrower"), of a 90-unit residential rental development project located at 2550 Irving Street, San Francisco, California 94122, known as "2550 Irving" (the "Project"), to provide housing for persons and families of low income through the

issuance of a multifamily housing revenue note in one or more series which may be taxable or tax-exempt (collectively, the "Note"); and

WHEREAS, The City and County of San Francisco (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 it may from time to time hereafter be amended or supplemented (collectively, the "Act"); and

WHEREAS, On December 6, 2023, the California Debt Limit Allocation Committee ("CDLAC") in its Resolution Number 23-266, allocated an amount not to exceed $51,846,000 (the "Allocation Amount") in qualified private activity bond volume cap to the Project; and

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

WHEREAS, It appears that 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 Note; and

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

WHEREAS, The City has engaged Squire Patton Boggs (US) LLP and Amira Jackmon, Attorney at Law, as co-special counsel with respect to the Note ("Co-Special Counsel"); and

WHEREAS, Bank of America, N.A. (or an affiliate thereof) (the "Funding Lender") has expressed its intention to make the funding loan, to be evidenced by the Note, to the City;

WHEREAS, The interest on the Note may qualify for tax exemption under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), only if the Note is approved in accordance with Section 147(f) of the Code; and

WHEREAS, On January 8, 2024, the City caused a notice to be published in the Notices section of the Mayor's Office of Housing and Community Development ("MOHCD") website (at https://sfmohcd.org/notices-0) stating that a public hearing with respect to the issuance of the Note would be held by MOHCD on January 17, 2024; and

WHEREAS, MOHCD held the public hearing described above on January 17, 2024, and an opportunity was provided for persons to comment on the issuance of the Note and the Project; and

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

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

WHEREAS, The City now wishes to approve the issuance of the Note in order to satisfy the public approval requirements of Section 147(f) of the Code; 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 Note. This Board of Supervisors, 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 Note for purposes of Section 147(f) of the Code. In accordance with the Act and the Funding Loan Agreement, the City is hereby authorized to execute and deliver a note or notes in one or more series designated as "City and County of San Francisco Multifamily Housing Revenue Note (2550 Irving), Series 2024C" or such other or with such additional designation 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 $63,846,000, provided that any tax-exempt portion of the Note shall not exceed the Allocation Amount, with an interest rate not to exceed twelve percent (12%) per annum for the Note, and which shall have a final maturity date not later than forty (40) years from the date of execution and delivery of the Note. The Note shall be in the form 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 of the City (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 a fiscal agent to be named therein, as Fiscal Agent (the "Fiscal Agent"). Each of the Mayor, the Director (the "Director") of MOHCD, the Deputy Director of Housing of MOHCD, and any other Authorized Governmental Lender Representative (as such term is 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-Special Counsel may approve or recommend in accordance with Section 7 hereof.

Section 4. Approval of Project Loan Agreement and Assignment of Deed of Trust. The Project Loan Agreement (the "Project Loan Agreement") by and among the City, the Fiscal Agent and the Borrower, and the Assignment of Deed of Trust and Loan Documents, from the City to the Fiscal Agent for the benefit of the Funding Lender (the "Assignment"), in the forms presented to the Board, copies of which are on file with the Clerk of the Board, are hereby approved. Each Authorized City Representative is hereby authorized to execute the Project Loan Agreement and the Assignment in substantially said forms, together with such additions thereto and changes therein as the City Attorney and Co-Special 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, the Assignment 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-Special Counsel may approve or recommend in accordance with Section 7 hereof.

Section 6. Issuer Fees. The City, acting through MOHCD, shall charge a fee for monitoring the restricted units in the Project in an amount not to exceed 0.125% of the average outstanding aggregate principal amount of the Notes in the previous twelve (12) months, but no less than $2,500 annually, from completion of construction through the term of, and as adjusted as provided in, the Regulatory Agreement. 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-Special Counsel, is hereby authorized to approve and make such modifications, amendments, changes or additions to the City Documents as may be necessary or advisable, provided that such modification does not authorize an aggregate principal amount of the Note in excess of $63,846,000 or an aggregate principal amount of the tax-exempt portion of the Note in excess of the Allocation Amount, provide for a final maturity of the Note later than forty (40) years from the date of execution and delivery thereof, or provide for the Note 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. Ratification. All actions heretofore taken by the officers and agents of the City with respect to the funding loan and the execution and delivery of the Note consistent with the purposes of this resolution and the City Documents are hereby approved, confirmed and ratified.

Section 9. 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 such 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 Note 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 10. File. All documents referenced herein as being on file with the Clerk of the Board are located in File No. 240336, which is hereby declared to be a part of this Resolution as if set forth fully herein.

Section 11. This Resolution shall take effect from and after its adoption by the Board and approval by the Mayor.

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

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

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