FILE NO. 250287 RESOLUTION NO. 163-25

[Multifamily Housing Revenue Bonds - Sunnydale HOPE SF Block 9 - 1652 Sunnydale Avenue - Not to Exceed $57,075,000]

Resolution approving for purposes of the Internal Revenue Code of 1986, as amended, and authorizing the issuance, sale and delivery of multifamily housing revenue bonds in one or more series in an aggregate principal amount not to exceed $57,075,000 for the purpose of providing financing for the construction of a 95-unit (including one manager unit) multifamily rental housing project located at 1652 Sunnydale Avenue known as "Sunnydale HOPE SF Block 9"; approving the form of and authorizing the execution of an indenture of trust providing the terms and conditions of the bonds; 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 a financing agreement; approving the form of and authorizing the use and distribution of a preliminary official statement and/or official statement; approving the form of and authorizing the execution of a bond purchase agreement; 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 bonds and the project; granting general authority to City officials to take actions necessary to implement this Resolution; 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 Sunnydale Block 9 Housing Partners, L.P., a California limited partnership (the "Borrower"), of a 95-unit (including one manager's unit) residential rental development located at 1652 Sunnydale Avenue, San Francisco, California 94134, known as "Sunnydale HOPE SF Block 9" (the "Project"), to provide housing for persons and families of low and very low income

through the issuance of multifamily housing revenue bonds in one or more series (the "Bonds"); and

WHEREAS, The City and County of San Francisco (the "City") is authorized to issue revenue bonds 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, The interest on the Bonds may qualify for federal tax exemption under the Internal Revenue Code of 1986, as amended (the "Code"), only if the Bonds are approved in accordance with Section 147(f) of the Code; and

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

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

WHEREAS, On January 3, 2025, the City caused a notice stating that a public hearing with respect to the issuance of multifamily affordable housing mortgage revenue bonds and their respective projects, pursuant to plans of financing, would be held by the Mayor's Office of Housing and Community Development ("MOHCD") on January 15, 2025, to be published and appear in the Notices section of MOHCD's website (at https://sf.gov/information/mohcd-department-notices), and such notice is on file with the Clerk of the Board of Supervisors and incorporated herein by reference; and

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

WHEREAS, On December 11, 2024, the California Debt Limit Allocation Committee in its Resolution Number 24-255 allocated $57,075,000 (together with any future supplemental CDLAC allocation for the Project, the "Allocation Amount") in qualified private activity volume cap to the Project (the "CDLAC Resolution"); and

WHEREAS, There has been prepared and presented to the Board for consideration at this meeting the documentation required for the issuance of the Bonds, 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 appropriate 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 sale of the Bonds; and

WHEREAS, The Bonds will be a limited obligation of the City, the sole source of repayment of which shall be payments made by the Borrower under the Financing Agreement (hereinafter defined), together with investment income of certain funds and accounts held under the Indenture of Trust (the "Indenture"); and

WHEREAS, The Trustee (hereinafter defined) will use the proceeds of the Bonds to purchase a single mortgage pass-through certificate (the "MBS") guaranteed as to timely payment of principal and interest by the Federal National Mortgage Association ("Fannie Mae"), if and when issued; and

WHEREAS, The Indenture provides that (i) prior to the delivery of the MBS, payment of the Bonds will be assured and collateralized by the deposit with the Trustee of proceeds received from the sale of the Bonds and other eligible funds held under the Indenture in an amount equal to the outstanding principal amount of the Bonds and interest during the

construction period and (ii) after construction and stabilization of the Project and upon satisfaction of the conditions set forth in the Indenture and the forward commitment of Fannie Mae, the MBS will be issued to the Trustee and debt service on the then remaining outstanding Bonds will be payable from pass-through payments received by the Trustee on the MBS through the maturity of the Bonds; and

WHEREAS, The Borrower has advised the City that the Bonds will be rated by one of the national rating agencies at a level satisfactory to the City; and

WHEREAS, The City has engaged Kutak Rock LLP and Amira Jackmon, Attorney at Law, as co-bond counsel with respect to the Bonds (together, "Co-Bond Counsel"); and

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

WHEREAS, Such Financing Information has been disclosed in connection with the Board meeting in which this Resolution is approved; 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 Issuance of Bonds. The Board, as the applicable elected representative of the City, hereby approves the plan of financing and the issuance of its multifamily housing revenue bonds in one or more series, including, but not limited to the

Bonds, pursuant to and for purposes of Section 147(f) of the Code. It is intended that this Resolution constitute approval of the Bonds by the applicable elected representative of the issuer of the Bonds and the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located, in accordance with said Section 147(f). Additionally, in accordance with the Act and the Indenture, the City is hereby authorized to issue and deliver revenue bonds of the City, such bonds to be issued in one or more series and subseries, and designated as "City and County of San Francisco Multifamily Housing Revenue Bonds (Sunnydale HOPE SF Block 9) (Fannie Mae MBS-Secured), Series 2025B," or such additional or other designation as may be necessary or appropriate to distinguish such series from every other series of bonds, in an aggregate principal amount not to exceed the Allocation Amount, with a fixed and/or variable interest rate not to exceed 12% per annum for the Bonds, and which shall have a final maturity date not later than forty 40 years from the date of issuance of the Bonds. The Bonds shall be in the form set forth in and otherwise in accordance with the Indenture and shall be executed by the manual or facsimile signature of the Mayor of the City (the "Mayor").

Section 3. Approval of Indenture. The Indenture in the form presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby approved. The Indenture shall be entered into by and between the City and U.S. Bank Trust Company, National Association (the "Trustee"). Each of the Mayor, the Director of the MOHCD and the Housing Development Director of the MOHCD (or a designee of such officer in writing, collectively, the "Authorized Officers" and each, an "Authorized Officer" as such term is defined in the Indenture), is hereby authorized to execute the Indenture, 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 10 hereof.

Section 4. Approval of Financing Agreement. The Financing Agreement (the "Financing Agreement") by and among the City, the Trustee 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 Officer is hereby authorized to execute the Financing 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 10 hereof.

Section 5. Approval of Regulatory Agreement and Declaration of Restrictive Covenants. The Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement"), 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 Officer, 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 10 hereof.

Section 6. Approval of Official Statement. The Official Statement prepared in connection with the Bonds in the form presented to the Board, a copy of which is on file with the Clerk of the Board, together with any changes therein or additions thereto deemed advisable by an Authorized Officer, after consultation with the City Attorney, Co-Bond Counsel and the City's disclosure counsel, is hereby approved. The Board hereby approves and authorizes the distribution by the Underwriter (defined below) of the Bonds of the Official Statement to prospective purchasers of the Bonds and authorizes and directs an Authorized Officer on behalf of the City to deem a preliminary version of the Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 ("Rule") prior to its distribution to prospective purchasers of the Bonds. The execution of the final Official

Statement, which shall include then current financial information regarding the Borrower, the Project, and the Bonds and such other changes and additions thereto deemed advisable by an Authorized Officer and such information permitted to be excluded from the Official Statement pursuant to the Rule, shall be conclusive evidence of the approval of the Official Statement by the City.

Section 7. Approval of Bond Purchase Agreement. The Bond Purchase Agreement ("Purchase Contract") by and among the City, the Borrower and Wells Fargo Bank, National Association, as underwriter (the "Underwriter"), 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 Officer is hereby authorized to execute the Purchase Contract, approved as to form by the City Attorney, in substantially said form, with such additions thereto and changes therein as are necessary to conform the Purchase Contract to the dates, amounts and interest rates applicable to the Bonds as of the sale date or as are approved by an Authorized Officer upon consultation with the City Attorney and the Co-Bond Counsel; provided that the interest rate borne by each series of Bonds shall not exceed the lesser of twelve percent (12%) or the maximum rate permitted by law and the maximum amount of Underwriter's discount on the sale of each series of Bonds may not exceed 1.0% of the par amount of such series of Bonds. Approval of such additions and changes shall be conclusively evidenced by the execution and delivery of the Purchase Contract by an Authorized Officer.

Section 8. Preparation of Bonds. The Bonds shall be prepared, executed and delivered to the Trustee for authentication, all in accordance with the terms of the Indenture and the Purchase Contract. The Trustee, an Authorized Officer and other responsible officers of the City are hereby authorized and directed to take such actions as are required to cause the delivery of the Bonds upon receipt of the purchase price thereof.

Section 9. Issuer Fees. The City, acting through MOHCD shall charge an annual issuer fee for monitoring compliance by the Borrower with certain provisions of the Regulatory Agreement up to an amount provided for under its standard issuer fee policies, or at some lesser amount if required upon the advice of Co-Bond Counsel that such lesser amount is necessary or advisable by the code. The annual monitoring fee due during the construction period shall be payable at Bond closing. The Board hereby authorizes MOHCD to charge and collect the fees described in this section.

Section 10. Modifications, Changes, and Additions. Any Authorized Officer executing the Indenture, the Financing Agreement, the Regulatory Agreement or the Purchase Contract (collectively, the "City Agreements") and the Official Statement, 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 Agreements and the Official Statement as may be necessary or advisable, provided that such modification does not authorize an aggregate principal amount of Bonds in excess of the Allocation Amount, provide for a final maturity on the Bonds later than 40 years from the date of execution and delivery thereof, or provide for the Bonds to bear interest at a rate in excess of 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 11. Execution of Documents. Any document authorized herein may be executed in multiple counterparts and any document authorized herein, except the Bonds and the Regulatory Agreement, may be signed using electronic means.

Section 12. Ratification. All actions heretofore taken by the officers and agents of the City with respect to the sale and issuance of the Bonds are hereby approved, confirmed and ratified.

Section 13. General Authority. The proper officers of the City (including the Authorized Officers) 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 Agreements in consultation with the City Attorney, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance of the Bonds and to effectuate the purposes thereof and of the City Agreements. 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 14. File. All documents referenced herein as being on file with the Clerk of the Board are located in File No. 250287, which is hereby declared to be a part of this Resolution as if set forth fully herein.

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Section 15. Effectiveness. 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/ HEIDI J. GEWERTZ
HEIDI J. GEWERTZ
Deputy City Attorney

City and County of San Francisco
Tails
Resolution

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

File Number: 250287 **Date Passed:** April 15, 2025

Resolution approving for purposes of the Internal Revenue Code of 1986, as amended, and authorizing the issuance, sale and delivery of multifamily housing revenue bonds in one or more series in an aggregate principal amount not to exceed $57,075,000 for the purpose of providing financing for the construction of a 95-unit (including one manager unit) multifamily rental housing project located at 1652 Sunnydale Avenue known as "Sunnydale HOPE SF Block 9"; approving the form of and authorizing the execution of an indenture of trust providing the terms and conditions of the bonds; 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 a financing agreement; approving the form of and authorizing the use and distribution of a preliminary official statement and/or official statement; approving the form of and authorizing the execution of a bond purchase agreement; 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 bonds and the project; granting general authority to City officials to take actions necessary to implement this Resolution; and related matters, as defined herein.

April 09, 2025 Budget and Finance Committee - RECOMMENDED

April 15, 2025 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Chen, Dorsey, Engardio, Fielder, Mahmood, Mandelman, Melgar, Sauter, Sherrill and Walton

File No. 250287

I hereby certify that the foregoing Resolution was ADOPTED on 4/15/2025 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Daniel Lurie
Mayor

4.25.25

Date Approved