

1 [Multifamily Housing Revenue Note - Ambassador Ritz Four Percent L.P. - 55 Mason Street  
2 and 216 Eddy Street - Not to Exceed \$56,039,857]

3 **Resolution authorizing the execution and delivery of a multifamily housing revenue**  
4 **note in one or more series in an aggregate principal amount not to exceed \$56,039,857**  
5 **for the purpose of providing financing for the acquisition and rehabilitation of a 187-**  
6 **unit multifamily rental housing project located at 55 Mason Street and 216 Eddy Street,**  
7 **known as “Ambassador Ritz 4%,” approving the form of and authorizing the execution**  
8 **of a funding loan agreement, providing the terms and conditions of the loan from the**  
9 **funding lenders to the City, and the execution and delivery of the note; approving the**  
10 **form of and authorizing the execution of a borrower loan agreement providing the**  
11 **terms and conditions of the loan from the City to the borrower; approving the form of**  
12 **and authorizing the execution of a regulatory agreement and declaration of restrictive**  
13 **covenants; authorizing the collection of certain fees; approving modifications, changes**  
14 **and additions to the documents, as defined herein; ratifying and approving any action**  
15 **heretofore taken in connection with the back-to-back loan, the note and the Project;**  
16 **granting general authority to City officials to take actions necessary to implement this**  
17 **Resolution, as defined herein; and related matters, as defined herein.**

18  
19 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the  
20 “Board”) desires to provide for the financing of a portion of the costs of the acquisition and  
21 rehabilitation by Ambassador Ritz Four Percent, L.P., a California limited partnership (the  
22 “Borrower”), of a 187-unit residential rental housing development project located at 55 Mason  
23 Street and 216 Eddy Street, in San Francisco, California, known as “Ambassador Ritz 4%”  
24 (the “Project”), to provide housing for persons and families of low income and very low income  
25

1 through the issuance of a multifamily housing revenue note (the “Note”) as described herein;  
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, On May 4, 2020, the City caused a notice stating that a public hearing with  
11 respect to the issuance of multifamily housing revenue bonds for the Project would be held by  
12 the Mayor’s Office of Housing and Community Development (the “MOHCD”) on May 11, 2020,  
13 to be published and appear in the Notices section of the MOHCD’s website (at  
14 <https://sfmohcd.org/notices-0>), which is on file with the Clerk of the Board of Supervisors in  
15 File No. 200484 and incorporated herein by reference; and

16 WHEREAS, At the date and time and at the location specified in such notice the  
17 MOHCD held such public hearing at which an opportunity was provided for persons to  
18 comment on the issuance of multifamily housing revenue bonds and the Project; and

19 WHEREAS, Due to the lapse of time since the public hearing held on May 11, 2020,  
20 the City held another public hearing regarding the issuance of multifamily housing revenue  
21 bonds relating to the Project pursuant to Section 147(f) of the Code; and

22 WHEREAS, On November 24, 2020, the City caused a notice stating that a public  
23 hearing with respect to the issuance of such bonds would be held by the MOHCD on  
24 December 7, 2020, to be published and appear in the Notices section of the MOHCD’s  
25 website (at <https://sfmohcd.org/notices-0>); and

1           WHEREAS, The MOHCD held the public hearing described above on December 7,  
2 2020, at which hearing an opportunity was provided for persons to comment on the issuance  
3 of such bonds relating to the Project; and

4           WHEREAS, On December 9, 2020, the California Debt Limit Allocation Committee  
5 (“CDLAC”) in its Resolution No. 20-185, allocated an amount not to exceed \$56,039,857 in  
6 qualified private activity bond volume cap to the Project; and

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

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

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

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

21           WHEREAS, The City has engaged Orrick, Herrington & Sutcliff LLP and Curls Bartling  
22 P.C., as co-special counsel with respect to the Note (“Co-Special Counsel”); and

23           WHEREAS, U.S. Bank National Association (or an affiliate thereof) (the “Initial Funding  
24 Lender”) has expressed its intention to make the funding loan, to be delivered by the Note, to  
25 the City; now, therefore, be it

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

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

5 Section 2. Approval of Execution and Delivery of Note. In accordance with the Act  
6 and the Funding Loan Agreement, the City is hereby authorized to execute and deliver a note  
7 or notes in one or more series designated as “City and County of San Francisco, California  
8 Multifamily Housing Revenue Note (Ambassador Ritz 4%), Series 2021D” or such other  
9 designation as may be necessary or appropriate to distinguish such series from every other  
10 series of bonds or notes of the City, in an aggregate principal amount not to exceed  
11 \$56,039,857 (the “Note”), with an interest rate not to exceed twelve percent (12%) per annum  
12 for the Note, and which shall have a final maturity date not later than forty (40) years from the  
13 date of execution and delivery of the Note. The Note shall be in the form set forth in and  
14 otherwise in accordance with the Funding Loan Agreement and shall be executed by the  
15 manual or facsimile signature of the Mayor of the City (the “Mayor”).

16 Section 3. Approval of Funding Loan Agreement. The Funding Loan Agreement  
17 (the “Funding Loan Agreement”) in the form presented to the Board, a copy of which is on file  
18 with the Clerk of the Board, is hereby approved. The Funding Loan Agreement shall be  
19 entered into by and among the City, the Initial Funding Lender, U.S. Bank National  
20 Association, in its capacity as Funding Lender Representative (the “Funding Lender  
21 Representative”) and a trust company, a state banking corporation or a national banking  
22 association with the authority to accept trusts in the State of California selected by the Director  
23 of MOHCD (the “Director”) and otherwise meeting the eligibility requirement of fiscal agent set  
24 forth in the Funding Loan Agreement (the “Fiscal Agent”). Each of the Mayor, the Director,  
25 the Deputy Director of Housing of MOHCD, and any other Authorized Governmental Lender

1 Representative (as such term is defined in the Funding Loan Agreement), acting individually  
2 or collectively (each, an “Authorized City Representative”) is hereby authorized to execute the  
3 Funding Loan Agreement, approved as to form by the City Attorney of the City (the “City  
4 Attorney”), in substantially said form, together with such additions thereto and changes therein  
5 as the City Attorney and Co-Special Counsel may approve or recommend in accordance with  
6 Section 7 hereof.

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

17 Section 5. Approval of Regulatory Agreement and Declaration of Restrictive  
18 Covenants. The Regulatory Agreement and Declaration of Restrictive Covenants (the  
19 “Regulatory Agreement” and, together with the Funding Loan Agreement, the Assignment and  
20 the Borrower Loan Agreement, the “City Documents”), between the City and the Borrower, in  
21 the form presented to the Board, a copy of which is on file with the Clerk of the Board, is  
22 hereby approved. Each Authorized City Representative is hereby authorized to execute the  
23 Regulatory Agreement, approved as to form by the City Attorney, in substantially said form,  
24 together with such additions thereto and changes therein as the City Attorney and Co-Special  
25 Counsel may approve or recommend in accordance with Section 7 hereof.

1           Section 6.    Issuer Fees. The City, acting through MOHCD, shall charge a fee for the  
2 administrative costs associated with executing and delivering the Note in an amount not to  
3 exceed one-quarter of one percent (0.25%) of the maximum aggregate principal amount of  
4 the Note (the “Issuance Fee”). Such Issuance Fee shall be payable at funding loan closing  
5 and shall be contingent on the execution and delivery of the Note. The City may also charge  
6 an annual fee for monitoring compliance by the Borrower with certain provisions of the  
7 Regulatory Agreement in an amount not to exceed one-eighth of one percent (0.125%) of the  
8 maximum outstanding aggregate principal amount of the Note, but no less than \$2,500  
9 annually, from completion of construction through the term of the Regulatory Agreement (the  
10 “Annual Fee”). The Annual Fee due during the construction period may be payable upon  
11 execution and delivery of the Note. The Board hereby authorizes MOHCD to charge and  
12 collect the fees described in this section. Notwithstanding the foregoing provisions of this  
13 Section, MOHCD is authorized to charge an Issuance Fee or Annual Fee, or both, that is or  
14 are lower than or that are collected on a different schedule than the fees prescribed in this  
15 Section 6, if upon the advice of Co-Special Counsel, lower fees are necessary or advisable to  
16 ensure that the Note does not become an “arbitrage bond” within the meaning of Section 148  
17 of the Code, or to ensure that interest on the Note does not become includable in gross  
18 income for federal income tax purposes under Section 103 of the Code.

19           Section 7.    Modifications, Changes, Additions. Any Authorized City Representative  
20 executing the City Documents, in consultation with the City Attorney and Co-Special Counsel,  
21 is hereby authorized to approve and make such modifications, changes or additions to the  
22 City Documents as may be necessary or advisable, provided that such modification does not  
23 authorize an aggregate principal amount of the Note in excess of \$56,039,857, provide for a  
24 final maturity of the Note later than forty (40) years from the date of execution and delivery of  
25 the Note, or provide for the Note to bear interest at a rate in excess of twelve percent (12%)

1 per annum. The approval of any modification, addition or change to any of the  
2 aforementioned documents shall be evidenced conclusively by the execution and delivery of  
3 the document in question by an Authorized City Representative.

4 Section 8. Ratification. All actions heretofore taken by the officers and agents of the  
5 City with respect to the funding loan and the execution and delivery of the Note consistent  
6 with the City Documents are hereby approved, confirmed and ratified.

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

22 Section 10. File. All documents referenced herein as being on file with the Clerk of  
23 the Board are located in File No. 210765, which is hereby declared to be a part of this  
24 Resolution as if set forth fully herein.

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

3  
4 APPROVED AS TO FORM:  
5 DENNIS J. HERRERA, City Attorney

6  
7 By: /s/ Heidi J. Gewertz  
8        Heidi J. Gewertz  
9        Deputy City Attorney

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