Resolution authorizing the execution and delivery of a multifamily housing revenue note in a principal amount not to exceed $36,361,354 for the purpose of providing financing for the construction of a 73-unit multifamily rental housing project known as “Hunters Point Shipyard Block 56”; 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 identified therein to the City and for the execution and delivery of the note; approving the form of and authorizing the execution of a borrower 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 a regulatory agreement and declaration of restrictive covenants; approving the form of and authorizing the execution of an assignment of deed of trust and related documents; 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 Hunters Point Block 56, L.P., a California limited partnership (the “Borrower”), of a 73-unit residential rental housing development located at 11 Innes Court in San Francisco, California, known as “Hunters Point Shipyard Block 56” (the “Project”), to provide housing for persons
and families of very low income through the issuance of a multifamily housing revenue 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 (the "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 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 (hereinafter defined) within the meaning of Section 147(f) of the Code; and

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

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

WHEREAS, The Mayor's Office of Housing and Community Development ("MOHCD") held the duly noticed public hearing described above on December 13, 2022, at which hearing
an opportunity was provided for persons to comment on the execution and delivery of the
Note and the Project; and

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

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

WHEREAS, There has been prepared and presented to this 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, This Board finds that the public interest and necessity require that the City
at this time make arrangements for the funding loan, the borrower loan, and the execution and
delivery of the Note and related documents; 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 Borrower Loan
Agreement (hereinafter defined) together with investment income on monies in certain funds
and accounts held under the Funding Loan Agreement (hereinafter defined); and

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

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WHEREAS, Bank of America, N.A., a national banking association (the "Funding Lender") has expressed its intention to lend to the City the loan contemplated by the Funding Loan Agreement in exchange for the Note authorized hereby; 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. In accordance with the Act, the Funding Loan Agreement and the Borrower Loan Agreement, the City is hereby authorized to execute and deliver the Note designated as "City and County of San Francisco Multifamily Housing Revenue Note (Hunters Point Shipyard Block 56) Series 2023C" in an aggregate principal amount not to exceed $36,361,354 (referred to in this Resolution as the "Note"), 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 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 trust company, a state banking corporation or a national banking association with the authority to accept trusts in the State of California, selected by the Director of MOHCD (the "Director") and otherwise meeting the requirements of the Funding Loan Agreement (the "Fiscal Agent"). Each of the Mayor, the Director, the Housing Development Director of MOHCD or any other Authorized
Representative (as such term is defined in the Funding Loan Agreement) of the City, or a
designee thereof, is hereby authorized to execute the Funding Loan Agreement, approved as
to form by the City Attorney of the City (the "City Attorney"), in 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 8 hereof.

Section 4. Approval of Borrower Loan Agreement. The Borrower Loan Agreement (the
"Borrower 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 Representative of the City, or a designee thereof, is
hereby authorized to execute the Borrower Loan Agreement, approved as to form by the City
Attorney, in 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 8
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,
(defined below) and the Borrower 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 Representative of the City, or a designee
thereof, is hereby authorized to execute the Regulatory Agreement, approved as to form by
the City Attorney, in 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 8 hereof.

Section 6. Approval of Assignment of Deed of Trust and Related Documents. The
Assignment of Deed of Trust and Related Documents, from the City to the Funding Lender
(the "Assignment"), in the form presented to this Board, a copy of which is on file with the Clerk of the Board, is hereby approved. Each Authorized Representative of the City, or a designee thereof, is hereby authorized to execute the Assignment, in 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 8 hereof.

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

Section 8. Modifications, Changes, Additions. Any Authorized Representative of the City executing the City Documents, in consultation with the City Attorney and Co-Special Counsel, is hereby authorized to approve and make such modifications, 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 $36,361,354, provide for a final maturity of the Note more than forty (40) years, 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 by an Authorized Representative of the City or a designee thereof.

Section 9. 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 as consistent with the City Documents and this Resolution, are hereby approved, confirmed and ratified.
Section 10. **General Authority.** The proper officers of the City (including the Authorized Representatives of the City or designee thereof) 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, assignments, 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, in consultation with the City Attorney, 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 granted herein. Final versions of any such documents shall be provided to the Clerk of the Board for inclusion in the official file within thirty (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. 230225, which is hereby declared to be a part of this Resolution as if set forth fully herein.

Section 12. **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/ KENNETH D. ROUX
KENNETH D. ROUX
Deputy City Attorney

Mayor Breed; Supervisor Walton
BOARD OF SUPERVISORS
Resolution authorizing the execution and delivery of a multifamily housing revenue note in a principal amount not to exceed $36,361,354 for the purpose of providing financing for the construction of a 73-unit multifamily rental housing project known as "Hunters Point Shipyard Block 56"; 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 identified therein to the City and for the execution and delivery of the note; approving the form of and authorizing the execution of a borrower 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 a regulatory agreement and declaration of restrictive covenants; approving the form of and authorizing the execution of an assignment of deed of trust and related documents; 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.

March 15, 2023 Budget and Finance Committee - RECOMMENDED

March 21, 2023 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 230225

I hereby certify that the foregoing Resolution was ADOPTED on 3/21/2023 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

3/28/23
Date Approved