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 $76,000,000 for the purpose of providing financing for the construction of a 118-unit multifamily rental housing project known as “Hunters View Phase 3 - Vertical”; approving the form of and authorizing the execution of a funding loan agreement providing the terms and conditions of the construction loan from the construction funding lender to the City, and the execution and delivery of the construction note; approving the form of and authorizing the execution of a project loan agreement providing the terms and conditions of the construction loan from the City to the borrower; approving the form of and authorizing the execution of an amended and restated funding loan agreement providing the terms and conditions of the permanent loan from the permanent funding lender to the City, and the execution and delivery of the permanent note; approving the form of and authorizing the execution of an amended and restated project loan agreement providing the terms and conditions of the permanent loan from the City to the borrower; approving the form of and authorizing the execution of a regulatory agreement and declaration of restrictive covenants for each site of the subject project; authorizing the collection of certain fees; approving, for purposes of the Internal Revenue Code of 1986, as amended, the issuance and sale of residential mortgage revenue bonds by the City in an aggregate principal amount not to exceed $76,000,000; approving modifications, changes and additions to the documents; ratifying and approving any action heretofore taken in connection with the back-to-back loans, the notes 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 acquisition and
new construction by HV Partners 3, LP (the "Borrower"), of a 118-unit residential rental
development project located on two non-contiguous sites in San Francisco, California
(Assessor's Parcel Block No. 4624, Lot No. 446, and Assessor's Parcel Block No. 4624, Lot
No. 447, respectively) (each, a "Site" and together, the "Sites"), which Sites are generally in
the location of the street addresses formerly identified as 201-237 West Point Road, San
Francisco, California, and which new project is to be known as "Hunters View Phase 3 –
Vertical" (the "Project"), to provide housing for persons and families of low income through the
issuance of a multifamily housing revenue Construction Note (hereinafter defined) and a
multifamily housing revenue Permanent Note (hereinafter defined), each in one or more series
which may be taxable or tax-exempt (collectively, the "Notes"); 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 February 2, 2021, the Board adopted its Resolution No. 17-21,
declaring the intent of the City to reimburse certain expenditures of the Project from proceeds
of future bonded indebtedness, and authorizing the Director (the "Director") of the Mayor's
Office of Housing and Community Development ("MOHCD") to submit an application to the
California Debt Limit Allocation Committee ("CDLAC") to permit the issuance of bonded indebtedness in an amount not to exceed $90,000,000, and the Mayor of the City (the "Mayor") approved such Resolution on February 4, 2021; and

WHEREAS, On November 30, 2022, CDLAC adopted its Resolution No. 22-277, allocating an amount not to exceed $65,000,000 (the "Original Allocation Amount") in qualified private activity bond volume cap to the Project; and

WHEREAS, On March 15, 2023, CDLAC adopted its Resolution No. 23-119, granting a supplemental allocation of qualified private activity bond volume cap to the Project in an amount not to exceed $3,500,000 (the "Supplemental Allocation Amount" and together with the Original Allocation Amount and any additional supplemental allocation amount, the "Allocation Amount"); 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 Notes, 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 Notes; and

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

WHEREAS, The City has engaged Jones Hall, A Professional Law Corporation and Husch Blackwell LLP, as co-bond counsel with respect to the Note ("Co-Bond Counsel"); and

WHEREAS, Bank of America, N.A. (or an affiliate thereof) (the "Construction Funding Lender") has expressed its intention to make the construction funding loan, to be evidenced by a multifamily housing revenue construction note (the "Construction Note"), and in connection therewith, the City, the Construction Funding Lender and the Borrower are to enter into certain documents for the construction funding loan, including without limitation the Funding Loan Agreement, the Project Loan Agreement, and certain assignments, allonges and other ancillary documents; and

WHEREAS, Citibank, N.A. (or an affiliate thereof) (the "Permanent Funding Lender") has expressed its intention to make the permanent funding loan, to be evidenced by a multifamily housing revenue permanent note (the "Permanent Note"), and, in connection therewith, the City, the Permanent Funding Lender and the Borrower are to enter into certain documents for the permanent funding loan, including without limitation amended and restated versions of the Funding Loan Agreement (the "Amended and Restated Funding Loan Agreement"), the Project Loan Agreement (the "Amended and Restated Project Loan Agreement") and certain assignments, allonges and other ancillary documents; and

WHEREAS, The aforesaid permanent funding loan and related Permanent Note are intended to replace a like amount of the aforesaid construction funding loan and the related Construction Note, and will not represent new or additional indebtedness of the Project that must be separately authorized by this Board; and

WHEREAS, The interest on the Notes may qualify for tax exemption under Section 103 of the Internal Revenue Code of 1986, as amended ("Code"), only if the Notes are approved
by an applicable elected representative of a governmental unit having jurisdiction over the area in which the Project is located in accordance with Section 147(f) of the Code; and

WHEREAS, The City a governmental unit having jurisdiction over the area in which the Project is located and now wishes to approve the issuance of the Notes in order to satisfy the public approval requirements of Section 147(f) of the Code; and

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

WHEREAS, On December 5, 2022, the City caused a notice stating that a public hearing with respect to the issuance of the Notes would be held by MOHCD on December 13, 2022, published in the Notices section of the MOHCD website (at https://sfmohcd.org/notices-0); 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 Notes. In accordance with the Act, the Funding Loan Agreement and the Amended and Restated Funding Loan Agreement, the City is hereby authorized to execute and deliver the Notes in one or more series designated as “City and County of San Francisco Multifamily Housing Revenue Note (Hunters View Phase 3 - Vertical), Series 2023A” or such other or such additional designations 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 $76,000,000, provided that any tax-exempt portion of the Notes shall not exceed the Allocation Amount, with an interest rate not to exceed twelve percent (12%) per annum for the Notes, and which shall have a final maturity date not later than forty (40) years from the date of execution and delivery of the Notes, and provided further that the principal amount of any Permanent Note and the related permanent
funding loan will not constitute new indebtedness, and need not be double-counted against such maximum authorized principal amount. The Construction Note and the Permanent Note shall be in the forms set forth in and otherwise in accordance with the Funding Loan Agreement and the Amended and Restated Funding Loan Agreement, respectively, and shall be executed by the manual or facsimile signature of 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 Construction Funding Lender and a fiscal agent to be named therein, as Fiscal Agent (the "Fiscal Agent"). Each of the Mayor, the Director, 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-Bond Counsel may approve or recommend in accordance with Section 9 hereof.

Section 4. Approval of Project Loan Agreement. The Project Loan Agreement (the "Project 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 City Representative is hereby authorized to execute the Project Loan Agreement 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 9 hereof.
Section 5. Approval of Regulatory Agreements and Declarations of Restrictive Covenants. The Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement” for each Site and, together with the Funding Loan Agreement, the Project Loan Agreement, the Amended and Restated Funding Loan Agreement and the Amended and Restated 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 for each Site, 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 9 hereof.

Section 6. Approval of Amended and Restated Funding Loan Agreement. The Amended and Restated 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 Amended and Restated Funding Loan Agreement shall be entered into by and among the City, the Permanent Funding Lender and the Fiscal Agent. Each of Authorized City Representative is hereby authorized to execute the Amended and Restated Funding Loan 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 9 hereof.

Section 7. Approval of Amended and Restated Project Loan Agreement. The Amended and Restated Project 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 City Representative is hereby authorized to execute the Amended and Restated Project Loan Agreement 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 9 hereof.

Section 8. Issuer Fees. The City, acting through MOHCD, shall charge an annual issuer fee for monitoring the restricted units in the Project up to an amount provided for under its standard issuer fee policies, or at some lesser amount if required by federal tax law applicable to the Notes. 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 9. Modifications, Changes, Additions. Any Authorized City Representative executing the City Documents, 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 Documents as may be necessary or advisable, including, without implied limitation, changes to the titles of any City Documents, provided that such modification does not authorize an aggregate principal amount of the Notes in excess of $76,000,000 or an aggregate principal amount of the tax-exempt portion of the Notes in excess of the Allocation Amount, provide for a final maturity of the Notes later than forty (40) years from the date of execution and delivery thereof, or provide for the Notes 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 10. Public Approval. The Board, 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 Notes in the aggregate principal amount not to exceed $76,000,000, for purposes of Section 147(f) of the Code.

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Mayor Breed; Supervisors Walton, Mandelman, Safai, Preston
BOARD OF SUPERVISORS
Section 11. **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 Notes consistent with the purposes of this Resolution and the City Documents are hereby approved, confirmed and ratified.

Section 12. **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, 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 Documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful execution and delivery of the Notes 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 13. **File.** All documents referenced herein as being on file with the Clerk of the Board are located in File No. 230379, which is hereby declared to be a part of this Resolution as if set forth fully herein.

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Section 14. 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 DAVID ROUX
KENNETH DAVID ROUX
Deputy City Attorney
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 $76,000,000 for the purpose of providing financing for the construction of a 118-unit multifamily rental housing project known as "Hunters View Phase 3 - Vertical"; approving the form of and authorizing the execution of a funding loan agreement providing the terms and conditions of the construction loan from the construction funding lender to the City, and the execution and delivery of the construction note; approving the form of and authorizing the execution of a project loan agreement providing the terms and conditions of the construction loan from the City to the borrower, approving the form of and authorizing the execution of an amended and restated funding loan agreement providing the terms and conditions of the permanent loan from the permanent funding lender to the City, and the execution and delivery of the permanent note; approving the form of and authorizing the execution of a regulatory agreement and declaration of restrictive covenants for each site of the subject project; authorizing the collection of certain fees; approving, for purposes of the Internal Revenue Code of 1986, as amended, the issuance and sale of residential mortgage revenue bonds by the City in an aggregate principal amount not to exceed $76,000,000; approving modifications, changes and additions to the documents; ratifying and approving any action heretofore taken in connection with the back-to-back loans, the notes 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.

April 19, 2023 Budget and Finance Committee - RECOMMENDED

April 25, 2023 Board of Supervisors - ADOPTED
Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton
I hereby certify that the foregoing Resolution was ADOPTED on 4/25/2023 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

Date Approved

5/3/23