Resolution authorizing the execution and delivery of a multifamily housing revenue note (tax-exempt) in an aggregate principal amount not to exceed $76,680,000 and of a multifamily housing revenue note (taxable) in an aggregate principal amount not to exceed $30,000,000 for the purpose of providing financing for the construction of a 167-unit multifamily rental housing project located at 242 Hahn Street (Sunnydale Block 6); approving the form of and authorizing the execution of funding loan agreement providing the terms and conditions of the loans from the funding lender to the City and the execution and delivery of the notes; approving the form of and authorizing the execution of a project loan agreement providing the terms and conditions of the loans from the City to the borrower; 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 notes and the project, as defined herein; 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 Sunnydale Block 6 Housing Partnership LP, a California limited partnership (the “Borrower”), of a 167-unit (including one manager’s unit) residential rental housing development project located at 242 Hahn Street, in San Francisco, California, known as “Sunnydale Block 6” (the “Project”), to provide housing for persons and families of low and very low income through the...
issuance of multifamily housing revenue notes as described herein; 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, The Project is located wholly within the City; and

WHEREAS, On March 1, 2019, the City caused a notice of public hearing to appear in March 15, 2019, a newspaper of general circulation in the City, which date was at least two weeks prior to the schedule date of such hearing; and

WHEREAS, At the date and time and at the location specified in such notice, the Mayor’s Office of Housing and Community Development held such public hearing, in which an opportunity was provided for persons to comment on the issuance of multifamily housing revenue notes for the Project; and

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

WHEREAS, On July 17, 2019, the California Debt Limit Allocation Committee (“CDLAC”) in its Resolution Number 19-106, allocated an amount not to exceed $76,680,000 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 Tax-Exempt Note (hereinafter defined) and the Taxable Note (hereinafter defined and together with the Tax-Exempt Note, 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 loans, the project loans 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 (hereinafter defined), together with investment income 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 Curls Bartling P.C., as co-special counsel with respect to the Notes ("Co-Special Counsel"); and

WHEREAS, Wells Fargo Bank, National Association (or an affiliate thereof) (the "Funding Lender") has expressed its intention to make the funding loans, to be evidenced by the Notes, to the City; 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 and the Funding Loan Agreement, the City is hereby authorized to execute and deliver: (a) a tax-exempt multifamily housing revenue note (the "Tax-Exempt Note") designated as "City and County of San Francisco Multifamily Housing Revenue Note (Sunnydale Block 6), Series 2019M-1 (Tax-Exempt)" in an aggregate principal amount not to exceed $76,680,000 and (b) a taxable multifamily housing revenue (the "Taxable Note") designated as "City and County of
San Francisco Multifamily Housing Revenue Note (Sunnydale Block 6), Series 2019M-2 (Taxable)" in an aggregate principal amount not to exceed $30,000,000; each with such additional or other designation as may be necessary or appropriate to distinguish each such series from every other series of bonds or notes, with an interest rate not to exceed twelve percent (12%) per annum, and each with a final maturity date not later than forty (40) years from the date of execution and delivery of said Notes. The Notes 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 U.S. Bank, National Association (the “Fiscal Agent”). Each of the Mayor, the Director of, and the Housing Development Director of, the Mayor's Office of Housing and Community Development ("MOHCD") and any Authorized Officer (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. 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 (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
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 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 the MOHCD, shall charge a fee for
the administrative costs associated with executing and delivering the Notes in an amount not
to exceed 0.25% of the aggregate principal amount of the Notes, subject to any adjustment
required to comply with federal tax law. Such fee shall be payable on closing and may be
contingent on the delivery of the Notes. The City shall also charge an annual fee for
monitoring compliance by the Borrower with certain provisions of the Regulatory Agreement in
an amount not to exceed: (a) 0.125% of the outstanding aggregate principal amount of the
Taxable Note; and (b) 0.125% of the largest principal amount outstanding on the Tax-Exempt
Note during the prior 12-month period, but no less than $2,500 annually, from completion of
construction through the term of the Regulatory Agreement, subject to any adjustment
required to comply with federal tax law. The annual monitoring fee due during the
construction period shall be payable at closing. The Board hereby authorizes the 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, 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 Tax-Exempt Note in excess of $76,680,000 and the Taxable Note in excess of $30,000,000, provide for a final maturity of either Note of later than forty (40) years, 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 by an Authorized City Representative.

Section 8. Ratification. All actions heretofore taken by the officers and agents of the City with respect to the execution and delivery of the Notes, as consistent with the City Documents authorized herein, are hereby approved, confirmed and ratified.

Section 9. General Authority. The proper officers of the City (including the Authorized City Representative) 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, but not limited to, tax documents and such agreements to provide adequate or additional security or indemnities as required by lenders to consummate the financing) and other documents, 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 in consultation with the City Attorney. 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.
versions of such documents (showing marked changes, if any) 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. 190979, which is hereby declared to be a part of this
Resolution as if set forth fully herein.

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

APPROVED AS TO FORM:
DENNIS J. HERRERA
City Attorney

By: HEIDI J. GEWERTZ
Deputy City Attorney

n:\financias2019\1900355\01392331.docx
Resolution authorizing the execution and delivery of a multifamily housing revenue note (tax-exempt) in an aggregate principal amount not to exceed $76,680,000 and of a multifamily housing revenue note (taxable) in an aggregate principal amount not to exceed $30,000,000 for the purpose of providing financing for the construction of a 167-unit multifamily rental housing project located at 242 Hahn Street (Sunnydale Block 6); approving the form of and authorizing the execution of funding loan agreement providing the terms and conditions of the loans from the funding lender to the City and the execution and delivery of the notes; approving the form of and authorizing the execution of a project loan agreement providing the terms and conditions of the loans from the City to the borrower; 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 notes and the project, as defined herein; granting general authority to City officials to take actions necessary to implement this Resolution, as defined herein; and related matters, as defined herein.

October 09, 2019 Budget and Finance Committee - RECOMMENDED

October 22, 2019 Board of Supervisors - ADOPTED

Ayes: 11 - Brown, Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani, Walton and Yee

File No. 190979

I hereby certify that the foregoing Resolution was ADOPTED on 10/22/2019 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