[Multifamily Housing Revenue Note - 1251 Turk Street - Rosa Parks - Not to Exceed \$63,890,000]

Resolution authorizing the execution and delivery of a multifamily housing revenue note in an aggregate principal amount not to exceed \$63,890,000 for the purpose of providing financing for the acquisition and rehabilitation of a 203-unit multifamily rental housing project located in the City at 1251 Turk Street, commonly known as Rosa Parks; approving the form of and authorizing the execution of a funding loan agreement providing the terms and conditions of the note and authorizing the execution and delivery thereof; approving the form of and authorizing the execution of a regulatory agreement and declaration of restrictive covenants; approving the forms of and authorizing the execution of certain loan documents; authorizing the collection of certain fees; ratifying and approving any action heretofore taken in connection with the note 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.

WHEREAS, The Board of Supervisors of the City and County of San Francisco (the "Board") desires to provide for a portion of the costs of the acquisition and rehabilitation by RP Associates, L.P., a California limited partnership (the "Borrower"), of a 203-unit affordable multifamily housing residential rental development located at 1251 Turk Street, San Francisco, California (commonly known as "Rosa Parks") (the "Project"), to provide housing for persons and families of low and very low income through the issuance of multifamily housing revenue bonds or notes; and

WHEREAS, The City and County of San Francisco (the "City") is authorized to issue revenue bonds, notes and other obligations for such purpose pursuant to the Charter of the

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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 Note (as hereinafter defined) may qualify for tax exemption under Section 103 of the Internal Revenue Code of 1986, as amended, (the "Code"), only if the Note is approved in accordance with Section 147(f) of the Code; and

WHEREAS, This Board is the elected legislative body of the City and is the applicable elected representative required to approve the issuance of the Note within the meaning of Section 147(f) of the Code; and

WHEREAS, Following a public hearing on October 30, 2015 at which there was an opportunity for persons to comment on the execution and delivery of the Note, this Board, on December 1, 2015, adopted Resolution No. 460-15, approving the execution and delivery of the Note solely for the purposes of Section 147(f) of the Code in an amount not to exceed \$108,037,000; and

WHEREAS, On May 18, 2016, the California Debt Limit Allocation Committee ("CDLAC"), in its Resolution Number 16-41, allocated to the Project \$63,890,000 in qualified private activity bond volume cap pursuant to Section 146 of the Code; 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 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 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 execution and delivery of the Note; 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 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 Jones Hall, A Professional Law Corporation, and Curls Bartling P.C. as co-bond counsel with respect to the Note ("Co-Bond Counsel"); and

WHEREAS, Bank of America, N.A. (the "Bank") has expressed its intention to enter into the Funding Loan Agreement and make the loan evidenced by 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. <u>Approval of Recitals</u>. The Board hereby finds and declares that the above recitals are true and correct.

Section 2. <u>Approval of Execution and Delivery of Note</u>. In accordance with the Act and the Funding Loan Agreement (hereinafter defined), the City is hereby authorized to issue and deliver a revenue note of the City, such note to be issued in one or more series and subseries, and designated as "City and County of San Francisco Multifamily Housing Revenue Note (Rosa Parks), 2016 Series P," or such other designation as may be necessary or appropriate to distinguish such series from every other series of bonds or notes of the City, in an aggregate principal amount not to exceed \$63,890,000 (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 issuance. 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") and as further provided in the Funding Loan Agreement.

Section 3. <u>Approval of Funding Loan Agreement</u>. The Funding Loan Agreement (the "Funding Loan Agreement"), by and between the Bank, the City, and U.S. Bank National Association, a national banking association (the "Fiscal Agent"), in the form presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby approved. The Mayor, the Director of the Mayor's Office of Housing and Community Development (the "Director"), or any Authorized Officer of the City (as such term is defined in the Funding Loan Agreement) is hereby authorized to execute the Funding Loan Agreement (collectively, "Authorized Representatives" and each, an "Authorized Representative"), 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 7 hereof.

Section 4. <u>Approval of Regulatory Agreement and Declaration of Restrictive</u> <u>Covenants</u>. The Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement"), by and among the City, the Borrower, and the Fiscal Agent, 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 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 7 hereof.

Section 5. <u>Approval of Project Loan Agreement</u>. The Project Loan Agreement by and among the City, the Borrower, and the Fiscal Agent (the "Project 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. Each Authorized Representative is hereby authorized to execute the Project 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 7 hereof.

Section 6. <u>Issuer Fees</u>. The City, acting through the Mayor's Office of Housing and Community Development ("MOHCD"), shall charge a fee for the administrative costs associated with issuing the Note in an amount not to exceed 0.25% of the maximum aggregate principal amount of the Note. Such fee shall be payable at closing and may be contingent on the delivery of the Note. The City shall also charge an annual fee for monitoring compliance with the provisions of the Regulatory Agreement in an amount not to exceed 0.125% of the 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 Note closing. The Board hereby authorizes MOHCD to charge and collect the fees described in this section.

Section 7. <u>Modifications, Changes, Additions</u>. Any Authorized Representative executing the Funding Loan Agreement, the Regulatory Agreement or the Project Loan Agreement (collectively, the "City Agreements"), in consultation with the City Attorney and Co-Bond Counsel, is hereby authorized to approve and make such modifications, changes or additions to the City Agreements as may be necessary or advisable, provided that such modification does not authorize an aggregate principal amount of the Note in excess of \$63,890,000, provide for a final maturity on the Note later than forty (40) years from the date of issuance thereof, 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. Section 8. <u>Ratification</u>. All actions heretofore taken by the officers and agents of the City with respect to the execution and delivery of the Note, as consistent with the documents herein and this Resolution, are hereby approved, confirmed and ratified.

Section 9. <u>General Authority</u>. 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 and other documents, including but not limited to assignments, subordinations, tax documents and those documents described in the City Agreements, which they, or any of them, may deem necessary or advisable in order to consummate the lawful execution and delivery of the Note. 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 30 days of execution by all parties.

Section 10. <u>File</u>. All documents referenced herein as being on file with the Clerk of the Board are located in File No. <u>160857</u>, which is hereby declared to be a part of this Resolution as if set forth fully herein.

APPROVED AS TO FORM: DENNIS J. HERRERA City Attorney

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Mayor Lee; Supervisor Breed BOARD OF SUPERVISORS



City and County of San Francisco Tails

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

Resolution

File Number: 160857

Date Passed: September 13, 2016

Resolution authorizing the execution and delivery of a multifamily housing revenue note in an aggregate principal amount not to exceed \$63,890,000 for the purpose of providing financing for the acquisition and rehabilitation of a 203-unit multifamily rental housing project located in the City at 1251 Turk Street, commonly known as Rosa Parks; approving the form of and authorizing the execution of a funding loan agreement providing the terms and conditions of the note and authorizing the execution and delivery thereof; approving the form of and authorizing the execution of a regulatory agreement and declaration of restrictive covenants; approving the forms of and authorizing the execution of certain loan documents; authorizing the collection of certain fees; ratifying and approving any action heretofore taken in connection with the note 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.

September 07, 2016 Budget and Finance Committee - RECOMMENDED

September 13, 2016 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

File No. 160857

I hereby certify that the foregoing Resolution was ADOPTED on 9/13/2016 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo Clerk of the Board

Mayo

Date Approved