

1 [Multifamily Housing Revenue Bonds - 4101 Noriega, 363 Noe, 200 Randolph/409 Head,
2 2206-2268 Great Highway and 1357-1371 Eddy (also known as 1353-1367 Eddy) - SFHA
3 Scattered Sites - Not to Exceed \$50,776,000]

4 **Resolution authorizing the issuance and delivery of multifamily housing revenue bonds**
5 **(tax-exempt) in an aggregate principal amount not to exceed \$40,776,000 and**
6 **multifamily housing revenue bonds (taxable) in an aggregate principal amount not to**
7 **exceed \$10,000,000, for a total aggregate principle amount not to exceed \$50,776,000,**
8 **for the purpose of providing financing for the acquisition and rehabilitation of a 69-unit,**
9 **affordable multifamily rental housing project located at 4101 Noriega Street, 363 Noe**
10 **Street, 200 Randolph/409 Head Street, 2206-2268 Great Highway and 1357-1371 Eddy**
11 **Street (also known as 1353-1367 Eddy Street) known as “SFHA Scattered Sites” within**
12 **the City; approving the form of and authorizing the execution of an indenture of trust**
13 **providing the terms and conditions of the bonds; approving the form of and**
14 **authorizing the execution of one or more regulatory agreements and declarations of**
15 **restrictive covenants; approving the form of and authorizing the execution of one or**
16 **more loan agreements providing the terms and conditions of the loan from the City to**
17 **the borrower; approving the form of and authorizing the execution of an assignment of**
18 **deed of trust documents; authorizing the collection of certain fees; approving**
19 **modifications, changes and additions to the documents, as defined herein; ratifying**
20 **and approving any action heretofore taken in connection with the bonds and the**
21 **project, as defined herein; and granting general authority to City officials to take**
22 **actions necessary to implement this Resolution, as defined herein; and related matters,**
23 **as defined herein.**

1 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
2 “Board”) desires to provide for the financing of a portion of the costs of the acquisition and
3 rehabilitation by MHDC New Map, L.P., a California limited partnership (the “Borrower”), of a
4 69-unit residential rental housing development, consisting of five sites located at 4101 Noriega
5 Street, 363 Noe Street, 200 Randolph Street/409 Head Street, 2206-2268 Great Highway and
6 2215-2263 48th Avenue, and 1357-1371 Eddy Street (also known as 1353-1367 Eddy Street),
7 San Francisco, California, known as “SFHA Scattered Sites,” (the “Project”), to provide
8 housing for persons and families of low and very low income through the issuance of
9 multifamily housing revenue bonds as described herein; and

10 WHEREAS, The City and County of San Francisco (the “City”) is authorized to issue
11 revenue bonds for such purpose pursuant to the Charter of the City, Article I of Chapter 43 of
12 the Administrative Code of the City and, to the extent applicable, Chapter 7 of Part 5 of
13 Division 31 (commencing with Section 52075) of the Health and Safety Code of the State of
14 California (the “Health and Safety Code”), as now in effect and as it may from time to time
15 hereafter be amended or supplemented (collectively, the “Act”); and

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

17 WHEREAS, This Board on April 27, 2021, adopted Resolution No. 171-21 declaring
18 the intent of the City to reimburse certain Project expenditures from proceeds of future tax-
19 exempt multifamily housing revenue bonds, for the purposes of 1.150-2 of the U.S. Treasury
20 Regulations, in an amount not to exceed \$60,000,000; and

21 WHEREAS, On July 16, 2021, the City caused a notice stating that a public hearing
22 with respect to the issuance of tax-exempt multifamily housing revenue bonds for the Project
23 would be held by the Mayor’s Office of Housing and Community Development on July 29,
24 2021, published in the Notices section of the Mayor’s Office of Housing and Community
25 Development website (at <https://sfmohcd.org/notices-0>); and

1 WHEREAS, The Mayor’s Office of Housing and Community Development held the
2 public hearing described above on July 29, 2021, and an opportunity was provided for
3 persons to comment on the issuance of the tax-exempt bonds and the Project; and

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

6 WHEREAS, On August 11, 2021, the California Debt Limit Allocation Committee
7 (“CDLAC”), in its Resolution No. 21-178, allocated an amount not to exceed \$40,776,000 in
8 qualified private activity bond volume cap to the Project; and

9 WHEREAS, There has been prepared and presented to this Board for consideration at
10 this meeting the documentation required for the issuance of Tax-Exempt Bonds (hereinafter
11 defined) and Taxable Bonds (hereinafter defined, and together with the Tax-Exempt Bonds,
12 the “Bonds”) in connection with the Project, and such documentation is on file with the Clerk
13 of the Board of Supervisors (the “Clerk of the Board”); and

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

17 WHEREAS, This Board finds that public interest and necessity require that the City at
18 this time make arrangements for the sale, issuance and delivery of the Bonds; and

19 WHEREAS, The City has engaged Jones Hall, A Professional Law Corporation, and
20 Curls Bartling P.C. as co-bond counsel with respect to the Bonds (“Co-Bond Counsel”); and

21 WHEREAS, Any Bonds to be issued to finance the Project will be limited obligations of
22 the City, the sole source of repayment for which shall be payments made by the Borrower
23 under the Loan Agreement (hereinafter defined) and collateral pledged by the Borrower for
24 the repayment of the Bonds, together with investment income on certain funds and accounts
25 held under the Indenture (hereinafter defined); and

1 WHEREAS, Western Alliance Bank has expressed its intention to purchase, or cause
2 an affiliate to purchase, the Bonds authorized hereby; now, therefore, be it

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

5 ///

6 Section 1. Approval of Recitals. This Board hereby finds and declares that the above
7 recitals are true and correct.

8 Section 2. Approval of Issuance of Bonds. In accordance with the Act and the
9 Indenture (hereinafter defined), the City is hereby authorized to issue and deliver (a) tax-
10 exempt multifamily housing revenue bonds designated as “City and County of San Francisco
11 Multifamily Housing Revenue Bonds (SFHA Scattered Sites), Series 2022A-1 (Tax-Exempt)”
12 in an aggregate principal amount not to exceed \$40,776,000 (the “Tax-Exempt Bonds”) and
13 (b) taxable multifamily housing revenue bonds designated as “City and County of San
14 Francisco Multifamily Housing Revenue Bonds (SFHA Scattered Sites), Series 2022A-2
15 (Taxable)” in an aggregate principal amount not to exceed \$10,000,000 (the “Taxable Bonds”
16 and together with the Tax-Exempt Bonds, the “Bonds”) or such other designation as may be
17 necessary or appropriate to distinguish each such series from every other series of bonds of
18 the City, with an interest rate not to exceed twelve percent (12%) per annum for the Bonds,
19 and with a final maturity date not later than forty (40) years from the date of issuance of the
20 Bonds. The Bonds shall be in substantially the form set forth in, and otherwise in accordance
21 with, the Indenture, and shall be executed by the manual signature of the Mayor of the City
22 (the “Mayor”) and as further provided in the Indenture. This approval is also intended to
23 constitute the approval of the applicable elected representative of the governmental unit
24 having jurisdiction over the area in which the Project is located, pursuant Section 147(f) of the
25 Internal Revenue Code of 1986, as amended (the “Code”).

1 Section 3. Indenture. The Indenture of Trust (the “Indenture”), by and between the
2 City and U.S. Bank National Association (the “Trustee”) in substantially the form presented to
3 this Board, a copy of which is on file with the Clerk of the Board, is hereby approved. Each of
4 the Mayor, the Director of the Mayor's Office of Housing and Community Development (the
5 “Director”), the Deputy Director of Housing of the Mayor’s Office of Housing and Community
6 Development or any other Authorized City Representative (as such term is defined in the
7 Indenture) of the City (collectively, the “Authorized Officers”) is hereby authorized to execute
8 the Indenture in said form, together with such additions thereto and changes therein as the
9 City Attorney and Co-Bond Counsel may approve or recommend in accordance with Section 8
10 hereof.

11 Section 4. Regulatory Agreement and Declaration of Restrictive Covenants. The
12 Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory
13 Agreement”), by and between the City and the Borrower, in substantially the form presented
14 to this Board, a copy of which is on file with the Clerk of the Board, is hereby approved. Each
15 Authorized Officer is hereby authorized to execute one or more Regulatory Agreements, in
16 said form, together with such additions thereto and changes therein as the City Attorney and
17 Co-Bond Counsel may approve or recommend in accordance with Section 8 hereof.

18 Section 5. Approval of Loan Agreement. The Loan Agreement (the “Loan
19 Agreement”), by and between the City and the Borrower, in substantially the form presented
20 to this Board, a copy of which is on file with the Clerk of the Board, is hereby approved. Each
21 Authorized Officer is hereby authorized to execute one or more Loan Agreements in said
22 form, together with such additions thereto and changes therein as the City Attorney and Co-
23 Bond Counsel may approve or recommend in accordance with Section 8 hereof.

24 Section 6. Approval of Assignment of Deed of Trust Documents. The Assignment of
25 Deed of Trust Documents, from the City to the Trustee (the “Assignment”), in substantially the

1 form presented to this Board, a copy of which is on file with the Clerk of the Board, is hereby
2 approved. Each Authorized Officer is hereby authorized to execute the Assignment, in said
3 form, together with such additions thereto and changes therein as the City Attorney and Co-
4 Bond Counsel may approve or recommend in accordance with Section 8 hereof.

5 Section 7. Issuer Fees. The City, acting through the Mayor's Office of Housing and
6 Community Development, may charge a fee for the administrative costs associated with
7 issuing the Bonds (the "Issuance Fee") in an amount not to exceed one-quarter of one percent
8 (0.25%) of the maximum aggregate principal amount of the Bonds. Such Issuance Fee shall
9 be payable at closing and shall be contingent on the issuance of the Bonds. The City may
10 also charge an annual administrative fee (the "Annual Fees") for monitoring compliance with
11 the provisions of the Regulatory Agreement(s) in an amount not to exceed one-eighth of one
12 percent (0.125%) of the outstanding aggregate principal amount of the Bonds, but no less
13 than \$2,500 annually. The Board hereby authorizes the Mayor's Office of Housing and
14 Community Development to charge and collect, or appoint an agent, which may be the
15 Trustee, to collect on behalf of the City, the fees described in this section. Notwithstanding
16 the foregoing provisions of this Section, the City, acting through the Mayor's Office of Housing
17 and Community Development, is authorized to charge an Issuance Fee or Annual Fees, or
18 both, that is, or are, lower than the fees prescribed in this Section if, upon the advice of Co-
19 Bond Counsel, lower fees are necessary or advisable to ensure that the Bonds do not
20 become "arbitrage bonds" within the meaning of Section 148 of the Code, or to ensure that
21 interest on the Bonds does not become includable in gross income for federal income tax
22 purposes under Section 103 of the Code.

23 Section 8. Modifications, Changes, Additions. Any Authorized Officer executing the
24 Indenture, any Loan Agreement, the Assignment or any Regulatory Agreement (collectively,
25 the "City Agreements"), in consultation with the City Attorney and Co-Bond Counsel, is hereby

1 authorized to approve and make such modifications, changes or additions to the City
2 Agreements as may be necessary or advisable, provided that such modification does not
3 authorize an aggregate principal amount of the Tax-Exempt Bonds in excess of \$40,776,000
4 or the Taxable Bonds in excess of \$10,000,000, provide for a final maturity on the Bonds later
5 than forty (40) years from the date of issuance of the Bonds, or provide for the Bonds to bear
6 interest at a rate in excess of twelve percent (12%) per annum. The approval of any
7 modification, addition or change to any of the City Agreements shall be evidenced
8 conclusively by the execution and delivery of the document in question by an Authorized
9 Officer.

10 Section 9. Ratification. All actions heretofore taken by the officers and agents of the
11 City with respect to the sale, issuance and delivery of the Bonds, as consistent with the City
12 Agreements and this Resolution, are hereby approved, confirmed and ratified.

13 Section 10. General Authority. The proper officers of the City, including, but not
14 limited to, the Authorized Officers, are hereby authorized and directed, for and in the name
15 and on behalf of the City, to do any and all things and take any and all actions and approve,
16 execute, acknowledge and/or deliver any and all certificates, agreements and other
17 documents including, but not limited to, subordinations, assignments, tax documents and
18 those documents described or referenced in the City Agreements, which they, or any of them,
19 may deem necessary or advisable in order to consummate the lawful issuance and delivery of
20 the Bonds and to effectuate the purposes thereof and of the City Agreements in consultation
21 with the City Attorney. Any such actions are solely intended to further the purposes of this
22 Resolution and the Project and are subject in all respects to the terms of this Resolution. No
23 such actions shall increase the risk to the City or require the City to spend any resources not
24 otherwise granted herein. Final versions of any such documents shall be provided to the
25

1 Clerk of the Board for inclusion in the official file within thirty (30) days of execution by all
2 parties.

3 Section 11. File. All documents referenced herein as being on file with the Clerk of
4 the Board are located in File No. 220017, which is hereby declared to be a part of this
5 Resolution as if set forth fully herein.

6 ///

7 ///

8 ///

9 Section 12. Effectiveness. This Resolution shall take effect from and after its adoption
10 by the Board and approval by the Mayor.

11

12 APPROVED AS TO FORM:
13 DAVID CHIU, City Attorney

14

15 By: /s/ KENNETH D. ROUX
16 KENNETH D. ROUX
Deputy City Attorney

17

18

19

20

21

22

23

24

25