

1 [Multifamily Housing Revenue Bonds – Hotel Essex Apartments.]

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3 **Resolution authorizing the issuance and delivery of multifamily housing revenue bonds**
4 **(as defined herein) in an aggregate principal amount not to exceed \$13,000,000 for the**
5 **purpose of providing financing for a multifamily rental housing project; approving the**
6 **form of and authorizing the execution of an indenture providing the terms and**
7 **conditions of the bonds; approving the form of and authorizing the execution of a**
8 **regulatory agreement and declaration of restrictive covenants; approving the form of**
9 **and authorizing the execution of a financing agreement; approving the form of and**
10 **authorizing the execution of a bond purchase agreement; ratifying and approving any**
11 **action heretofore taken in connection with the bonds and the project; granting general**
12 **authority to City officials to take actions necessary to implement this resolution; and**
13 **related matters.**

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15 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
16 “Board”) desires to provide for a portion of the costs of rehabilitation by Hotel Essex, L.P., a
17 California limited partnership (the “Borrower”), of a proposed 84-unit residential rental
18 development to provide housing for persons of low and very low income located at 684 Ellis
19 Street, San Francisco, California, to be known as Hotel Essex Apartments (the “Project”),
20 through the issuance of revenue bonds; and,

21 WHEREAS, The City and County of San Francisco (the “City”) is authorized to issue
22 revenue bonds for such purpose pursuant to the Charter of the City, Article I of Chapter 43 of
23 the Administrative Code of the City and County of San Francisco Municipal Code and, to the
24 extent applicable, Section 52097.5 of the California Health and Safety Code (“Health and
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1 Safety Code”), as now in effect and as it may from time to time hereafter be amended or
2 supplemented (collectively, the “Act”); and,

3 WHEREAS, The interest on the Bonds (hereinafter defined) may qualify for tax
4 exemption under Section 103 of the Internal Revenue Code of 1986, as amended, (the
5 “Code”), only if the Bonds are approved in accordance with Section 147(f) of the Code; and,

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

9 WHEREAS, On July 12, 2006, this Board in Resolution No. 409-06 approved the
10 issuance of the Bonds for the purposes of Section 147(f) of the Code; and,

11 WHEREAS, There has been prepared and presented to the Board for consideration at
12 this meeting the documentation required for the issuance of such Bonds, and such
13 documentation is on file with the Clerk of the Board of Supervisors (the “Clerk of the Board”);
14 and,

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

18 WHEREAS, The Board finds that the public interest and necessity require that the City
19 at this time make arrangements for the sale of such Bonds; and,

20 WHEREAS, Citicorp North America, Inc., a Delaware corporation, has expressed its
21 intention to purchase or cause its affiliate to purchase the Bonds authorized hereby; now,
22 therefore, be it

23 RESOLVED, By this Board of Supervisors of the City and County of San Francisco as
24 follows:

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1 Section 1. Approval of Recitals. The Board hereby finds and declares that the
2 above recitals are true and correct.

3 Section 2. Approval of Issuance of Bonds. In accordance with the Act and the
4 Indenture (hereinafter defined), the City is hereby authorized to issue and deliver revenue
5 bonds of the City, such bonds to be issued in one series and designated as “City and County
6 of San Francisco Multifamily Housing Revenue Bonds (Hotel Essex Apartments) 2007
7 Series A,” in an aggregate principal amount not to exceed \$13,000,000 (the “Bonds”), with an
8 initial interest rate not to exceed twelve percent (12%) per annum for the Bonds, and which
9 shall have a final maturity date not later than February 1, 2012. The Bonds shall be in the
10 form set forth in and otherwise in accordance with the Indenture, and shall be executed by the
11 manual or facsimile signature of the Mayor of the City (the “Mayor”) and the manual or
12 facsimile seal of the City shall be impressed or reproduced thereon and attested by the
13 manual or facsimile signature of the Clerk of the Board.

14 Section 3. Indenture. The Indenture of Trust (the “Indenture”), between the City and
15 Union Bank of California, N.A., as trustee (the “Trustee”), in substantially the form presented
16 to the Board, a copy of which is on file with the Clerk of the Board, is hereby approved. The
17 Mayor, the Director of the Mayor’s Office of Housing (the “Director”) or any Authorized
18 Representative (as such term is defined in the Indenture) is hereby authorized to execute, and
19 the Clerk of the Board or an authorized designee is hereby authorized to attest, the Indenture
20 in substantially said form, with such additions thereto and changes therein as the City
21 Attorney of the City and County of San Francisco (the “City Attorney”) and Co-Bond Counsel
22 may approve or recommend in accordance with Section 7 hereof.

23 Section 4. Regulatory Agreement and Declaration of Restrictive Covenants. The
24 form of Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory
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1 Agreement”), among the City, the Trustee and the Borrower, in substantially the form
2 presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby
3 approved. The Mayor, the Director or any Authorized Representative is hereby authorized to
4 execute the Regulatory Agreement, in substantially said form, with such additions thereto and
5 changes therein as the City Attorney and Co-Bond Counsel may approve or recommend in
6 accordance with Section 7 hereof.

7 Section 5. Financing Agreement. The form of Financing Agreement (the “Financing
8 Agreement”) among the City, the Trustee and the Borrower, in substantially the form
9 presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby
10 approved. The Mayor, the Director or any Authorized Representative is hereby authorized to
11 execute the Financing Agreement, in substantially said form, with such additions thereto and
12 changes therein as the City Attorney and Co-Bond Counsel may approve or recommend in
13 accordance with Section 7 hereof.

14 Section 6. Bond Purchase Agreement. The Bond Purchase Agreement (the “Bond
15 Purchase Agreement”), among the City, Citicorp North America, Inc., a Delaware corporation,
16 or its affiliate and the Borrower, in substantially the form presented to the Board, a copy of
17 which is on file with the Clerk of the Board, is hereby approved. The Mayor, the Director or
18 any Authorized Representative is hereby authorized to execute, and the Clerk of the Board or
19 an authorized designee is hereby authorized to attest, the Bond Purchase Agreement in
20 substantially said form, with such additions thereto and changes therein as the City Attorney
21 and Co-Bond Counsel may approve or recommend in accordance with Section 7 hereof.

22 Section 7. Modifications, Changes, Additions. Any Authorized Representative
23 executing the Indenture, the Regulatory Agreement, the Financing Agreement or the Bond
24 Purchase Agreement (collectively, the “City Agreements”), in consultation with the City
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1 Attorney and Co-Bond Counsel, is hereby authorized to approve and make such
2 modifications, changes or additions to the City Agreements as may be necessary or
3 advisable, provided that such modification does not authorize an aggregate principal amount
4 of Bonds in excess of \$13,000,000, provide for a final maturity on the Bonds later than
5 February 1, 2012, or provide for the Bonds to bear interest at a rate in excess of twelve
6 percent (12%) per annum. The approval of any modification, addition or change to any of the
7 aforementioned documents shall be evidenced conclusively by the execution and delivery of
8 the document in question.

9 Section 8. Low Income Housing Findings. This Board hereby finds and determines
10 that this Resolution constitutes final approval of a proposal that may result in housing
11 assistance benefiting persons of low income within the meaning of Section 36005 of Health
12 and Safety Code. Furthermore, this Board finds and determines that the City's support of the
13 Project does not constitute an activity to "develop, construct, or acquire" a low rent housing
14 project pursuant to Section 37001.5(a) and (d) of the Health and Safety Code.

15 Section 9. Ratification. All actions heretofore taken by the officers and agents of the
16 City with respect to the sale and issuance of the Bonds are hereby approved, confirmed and
17 ratified.

18 Section 10. General Authority. The proper officers of the City are hereby authorized
19 and directed, for and in the name and on behalf of the City, to do any and all things and take
20 any and all actions and execute and deliver any and all certificates, agreements and other
21 documents, including but not limited to those documents described in the Indenture and the
22 other documents herein approved, which they, or any of them, may deem necessary or
23 advisable in order to consummate the lawful issuance and delivery of the Bonds and to
24 effectuate the purposes thereof and of the documents herein approved in accordance with this
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1 Resolution.

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

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6 APPROVED AS TO FORM:
7 DENNIS J. HERRERA
8 City Attorney

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9 By: _____
10 MICHAEL J. MARTIN
11 Deputy City Attorney

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