

1 [Multifamily Housing Revenue Bonds - 626 Mission Bay Boulevard North (also known as 1300
2 Fourth Street and Mission Bay South Block 6 East) - Not to Exceed \$52,500,000]

3 **Resolution authorizing the issuance, sale and delivery of multifamily housing revenue**
4 **bonds in an aggregate principal amount not to exceed \$52,500,000 for the purpose of**
5 **providing financing for the construction of a 143-unit multifamily rental housing project**
6 **known as 626 Mission Bay Boulevard North; approving the form of and authorizing the**
7 **execution of an indenture of trust providing the terms and conditions of the bonds;**
8 **approving the form of and authorizing the execution of a regulatory agreement and**
9 **declaration of restrictive covenants; approving the form of and authorizing the**
10 **execution of a loan agreement; authorizing the collection of certain fees; approving**
11 **modifications, changes and additions to the documents, as defined herein; ratifying**
12 **and approving any action heretofore taken in connection with the bonds and the**
13 **project, as defined herein; granting general authority to City officials to take actions**
14 **necessary to implement this Resolution; and related matters, as defined herein.**

15
16 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
17 “Board”) desires to provide for a portion of the costs of the construction by 1300 Fourth Street
18 Associates, L.P., a California limited partnership (the “Borrower”), of a 143-unit (including one
19 manager’s unit) residential rental development located at 626 Mission Bay Boulevard North,
20 San Francisco, California 94107, known as “626 Mission Bay Boulevard North” (also known
21 as 1300 Fourth Street and Mission Bay South Block 6 East) (the “Project”), to provide housing
22 for persons and families of very low income through the issuance of multifamily housing
23 revenue bonds; and

24 WHEREAS, The City and County of San Francisco (the “City”) is authorized to issue
25 revenue bonds for such purpose pursuant to the Charter of the City, Article I of Chapter 43 of

1 the Administrative Code of the City and, to the extent applicable, Chapter 7 of Part 5 of
2 Division 31 (commencing with Section 52075) of the Health and Safety Code of the State of
3 California (“Health and Safety Code”), as now in effect and as it may from time to time
4 hereafter be amended or supplemented (collectively, the “Act”); and

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

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

11 WHEREAS, The Mayor’s Office of Housing and Community Development held a public
12 hearing at 10:00 am on October 26, 2015, notice of which hearing was published in a
13 newspaper of general circulation in the City in accordance with Section 147(f) of the Code
14 reflecting all of the addresses related to the Project, and an opportunity was provided for
15 persons to comment on the execution and delivery of the Bonds in the not-to-exceed amount
16 of \$75,000,000 and the plan of financing for the Project, the minutes of which hearing were
17 presented to this Board; and

18 WHEREAS, On July 20, 2016, the California Debt Limit Allocation Committee in its
19 Resolution Number 16-88 allocated \$52,500,000 in qualified private activity bonds to the
20 Project (the “CDLAC Resolution”); and

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

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

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

6 WHEREAS, The Bonds will be a limited obligation of the City, the sole source of
7 repayment of which shall be payments made by the Borrower under the Loan Agreement
8 (hereinafter defined), together with investment income of certain funds and accounts held
9 under the Indenture (hereinafter defined); and

10 WHEREAS, The City has engaged Squire Patton Boggs (US) LLP, and Curlls Bartling
11 P.C., as co-bond counsel with respect to the Bonds (“Co-Bond Counsel”); and

12 WHEREAS, Wells Fargo Bank, National Association, has expressed its intention to
13 purchase, or cause an affiliate to purchase, the Bonds authorized hereby; now, therefore, be it

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

16 Section 1. The Board hereby finds and declares that the above recitals are true and
17 correct.

18 Section 2. In accordance with the Act and the Indenture (hereinafter defined), the City
19 is hereby authorized to issue and deliver revenue bonds of the City, such bonds to be issued
20 in one or more series and subseries, and designated as “City and County of San Francisco
21 Multifamily Housing Revenue Bonds (626 Mission Bay Boulevard North), Series 2016D,” or
22 such other designation as may be necessary or appropriate to distinguish such series from
23 every other series of bonds, in an aggregate principal amount not to exceed \$52,500,000 (the
24 “Bonds”), with a fixed and/or variable interest rate not to exceed twelve percent (12%) per
25 annum for the Bonds, and which shall have a final maturity date not later than forty (40) years

1 from the date of issuance of the Bonds. The Bonds shall be in the form set forth in and
2 otherwise in accordance with the Indenture and shall be executed by the manual or facsimile
3 signature of the Mayor of the City (the “Mayor”).

4 Section 3. The Indenture of Trust (the “Indenture”) in the form presented to the Board,
5 a copy of which is on file with the Clerk of the Board, is hereby approved. The Indenture shall
6 be entered into by and between the City and U.S. Bank National Association, as trustee (the
7 “Trustee”). Each of the Mayor, the Director of the Mayor’s Office of Housing and Community
8 Development and the Housing Development Director of the Mayor’s Office of Housing and
9 Community Development (collectively, the “Authorized Representatives” and each, an
10 “Authorized Representative”) is hereby authorized to execute the Indenture, approved as to
11 form by the City Attorney of the City (the “City Attorney”), in substantially said form, together
12 with such additions thereto and changes therein as the City Attorney and Co-Bond Counsel
13 may approve or recommend in accordance with Section 7 hereof.

14 Section 4. The Regulatory Agreement and Declaration of Restrictive Covenants (the
15 “Regulatory Agreement”), between the City and the Borrower, in the form presented to the
16 Board, a copy of which is on file with the Clerk of the Board, is hereby approved. Each
17 Authorized Representative is hereby authorized to execute the Regulatory Agreement,
18 approved as to form by the City Attorney, in substantially said form, together with such
19 additions thereto and changes therein as the City Attorney and Co-Bond Counsel may
20 approve or recommend in accordance with Section 7 hereof.

21 Section 5. The Loan Agreement (the “Loan Agreement”) by and among the City and
22 the Borrower, in the form presented to the Board, a copy of which is on file with the Clerk of
23 the Board, is hereby approved. Each Authorized Representative is hereby authorized to
24 execute the Loan Agreement in substantially said form, together with such additions thereto
25

1 and changes therein as the City Attorney and Co-Bond Counsel may approve or recommend
2 in accordance with Section 7 hereof.

3 Section 6. The City, acting through the Mayor's Office of Housing and Community
4 Development, shall charge a fee for the administrative costs associated with issuing the
5 Bonds in an amount not to exceed 0.25% of the aggregate principal amount of the Bonds.
6 Such fee shall be payable at bond closing and may be contingent on the bond sale. The City
7 shall also charge an annual fee for monitoring the restricted units in an amount not to exceed
8 0.125% of the outstanding aggregate principal amount of the Bonds, but no less than \$2,500
9 annually, for the term of the Regulatory Agreement. The initial monitoring fee shall be
10 payable at and contingent upon bond closing. The Board hereby authorizes the Mayor's
11 Office of Housing and Community Development to charge and collect the fees described in
12 this section.

13 Section 7. Any Authorized Representative executing the Indenture, the Regulatory
14 Agreement or the Loan Agreement (collectively, the "City Agreements"), in consultation with
15 the City Attorney and Co-Bond Counsel, is hereby authorized to approve and make such
16 modifications, changes or additions to the City Agreements as may be necessary or
17 advisable, provided that such modification does not authorize an aggregate principal amount
18 of Bonds in excess of \$52,500,000, provide for a final maturity on the Bonds later than forty
19 (40) years, or provide for the Bonds to bear interest at a rate in excess of twelve percent
20 (12%) per annum. The approval of any modification, addition or change to any of the
21 aforementioned documents shall be evidenced conclusively by the execution and delivery of
22 the document in question.

23 Section 8. All actions heretofore taken by the officers and agents of the City with
24 respect to the sale and issuance of the Bonds are hereby approved, confirmed and ratified.
25

1 Section 9. The proper officers of the City are hereby authorized and directed, for and
2 in the name and on behalf of the City, to do any and all things and take any and all actions
3 and execute and deliver any and all certificates, agreements and other documents, including
4 but not limited to those documents described in the Indenture, the Loan Agreement, and the
5 Regulatory Agreement, which they, or any of them, may deem necessary or advisable in order
6 to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes
7 thereof and of the documents herein approved in accordance with this Resolution.

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

11 Section 11. This Resolution shall take effect from and after it's adoption by the Board
12 and approval by the Mayor.

13
14 APPROVED AS TO FORM:
15 DENNIS J. HERRERA
16 City Attorney

17 By: _____
18 HEIDI J. GEWERTZ
19 Deputy City Attorney
20 n:\financlas2016\1600828\01123742.docx