

1 [Multifamily Housing Revenue Bonds - 711 Eddy Street - Not to Exceed \$84,840,000]

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3 **Resolution authorizing the issuance and delivery of multifamily housing revenue bonds**
4 **in an aggregate principal amount not to exceed \$84,840,000, in one or more series or**
5 **subseries, for the purpose of providing financing for the acquisition and rehabilitation**
6 **of a 202-unit multifamily rental housing project known as “Eastern Park Apartments;”**
7 **approving the form of and authorizing the execution of an indenture of trust providing**
8 **the terms and conditions of and the authorization for the issuance of such bonds;**
9 **approving the form of, and authorizing the execution of, a financing agreement**
10 **providing the terms and conditions of the loans from the City to the borrower;**
11 **approving the form of and authorizing the execution of a regulatory agreement and**
12 **declaration of restrictive covenants; approving the form of and authorizing the**
13 **execution of a bond purchase agreement; approving the form of an Official Statement**
14 **for such bonds and authorizing the distribution thereof; authorizing the collection of**
15 **certain fees; approving modifications, changes and additions to the documents;**
16 **ratifying and approving any action heretofore taken in connection with the loans, the**
17 **bonds and the Project; granting general authority to City officials to take actions**
18 **necessary to implement this Resolution, subject to the terms of this Resolution; and**
19 **related matters, as defined herein.**

20

21 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
22 “Board”) desires to provide for the financing of a portion of the costs of the acquisition and
23 rehabilitation by Eastern Park Apartments, L.P., a California limited partnership (the
24 “Borrower”), of a 202-unit (including one manager’s unit) residential rental housing
25 development project located at 711 Eddy Street, in San Francisco, California, known as

1 “Eastern Park Apartments” (the “Project”), to provide housing for persons and families of low
2 and very low income through the issuance of multifamily housing revenue bonds as described
3 herein; and

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

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

11 WHEREAS, On August 29, 2018, the City caused a notice stating that a public hearing
12 with respect to the issuance of multifamily housing revenue bonds to appear on September
13 13, 2019, in a newspaper of general circulation in the City, which date was at least two weeks
14 prior to the scheduled date of such hearing; and

15 WHEREAS, At the date and time and at the location specified in such notice, the
16 Mayor’s Office of Housing and Community Development (the “MOHCD”) held such public
17 hearing, at which an opportunity was provided for persons to comment on the issuance of
18 multifamily housing revenue bonds for the Project; and

19 WHEREAS, On March 20, 2019, the California Debt Limit Allocation Committee
20 (“CDLAC”) in its Resolution No. 19-040, allocated an amount equal to \$84,840,000 in qualified
21 private activity bond volume cap to the Project; and

22 WHEREAS, Due to the lapse of time since the public hearing held on September 13,
23 2018, the City was required to hold another public hearing regarding the issuance of
24 multifamily housing revenue bonds relating to the Project pursuant to Section 147(f) of the
25 Code; and

1 WHEREAS, On October 8, 2019, the City caused a notice stating that a public hearing
2 with respect to the issuance of such bonds would be held by the MOHCD on October 22,
3 2019 to appear in a newspaper of general circulation in the City; and

4 WHEREAS, The MOHCD held the public hearing described above on October 22,
5 2019, at which hearing an opportunity was provided for persons to comment on the issuance
6 of such bonds relating to the Project; and

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

9 WHEREAS, There has been prepared and presented to the Board for consideration at
10 this meeting the documentation required for the issuance of, sale of and security for the
11 Bonds (hereinafter defined), and such documentation is on file with the Clerk of the Board of
12 Supervisors (the "Clerk of the Board"); and

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

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

18 WHEREAS, The Bonds will be limited obligations of the City, the sole source of
19 repayment of which shall be payments made by the Borrower under the Financing Agreement
20 (hereinafter defined) or other collateral pledged by the Borrower for the repayment of the
21 Bonds, together with investment income of certain funds and accounts held under the
22 Indenture of Trust (hereinafter defined); and

23 WHEREAS, The City has engaged Norton Rose Fulbright US LLP and Curlls Bartling
24 P.C., as co-bond counsel with respect to the Bonds ("Co-Bond Counsel"); and
25

1 WHEREAS, RBC Capital Markets, LLC (the “Underwriter”) has expressed its intention
2 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 Section 1. Approval of Recitals. The Board hereby finds and declares that the
6 above recitals are true and correct.

7 Section 2. Approval of Issuance of the Bonds. In accordance with the Act and the
8 Indenture of Trust, the City is hereby authorized to issue and deliver: (a) tax-exempt
9 multifamily housing revenue bonds designated as “City and County of San Francisco
10 Multifamily Tax-Exempt Mortgage-Backed Bonds (Eastern Park Apartments), Series 2019J” in
11 an aggregate principal amount not to exceed \$60,006,000 and (b) tax-exempt multifamily
12 housing revenue bonds designated as “City and County of San Francisco Multifamily Housing
13 Revenue Bonds (Eastern Park Apartments), Series 2019K” in an aggregate principal amount
14 not to exceed \$24,834,000 (together, the “Bonds”); each with such additional or other
15 designations as may be necessary or appropriate to distinguish each such series or subseries
16 from every other series of bonds or notes of the City, with an interest rate not to exceed
17 twelve percent (12%) per annum. The Bonds shall have a final maturity date not later than
18 forty (40) years from the date of issuance of said Bonds. The Bonds shall be in the form set
19 forth in and otherwise in accordance with the Indenture of Trust and shall be executed by the
20 manual or facsimile signature of the Mayor of the City (the “Mayor”) and as further provided in
21 the Indenture of Trust.

22 Section 3. Approval of Indenture of Trust. The Indenture of Trust (the “Indenture of
23 Trust”) in the form presented to the Board, a copy of which is on file with the Clerk of the
24 Board, is hereby approved. The Indenture of Trust shall be entered into by and between the
25 City and a trust company, a state banking corporation or a national banking association with

1 the authority to accept trusts in the State of California selected by the Director (the “Director”)
2 of the MOHCD and otherwise meeting the requirements of the Indenture (the “Trustee”).
3 Each of the Mayor, the Director, and the Housing Development Director of the MOHCD,
4 acting individually or collectively (each, an “Authorized City Representative”) is hereby
5 authorized to execute the Indenture of Trust, approved as to form by the City Attorney of the
6 City (the “City Attorney”), in substantially said form, together with such additions thereto and
7 changes therein as the City Attorney and Co-Bond Counsel may approve or recommend in
8 accordance with Section 9 hereof.

9 Section 4. Approval of Financing Agreement. The Financing Agreement (the
10 “Financing Agreement”) by and among the City, the Trustee and the Borrower, in the form
11 presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby
12 approved. Each Authorized City Representative is hereby authorized to execute the
13 Financing Agreement and the Assignment in substantially said form, together with such
14 additions thereto and changes therein as the City Attorney and Co-Bond Counsel may
15 approve or recommend in accordance with Section 9 hereof.

16 Section 5. Approval of Regulatory Agreement and Declaration of Restrictive
17 Covenants. The Regulatory Agreement and Declaration of Restrictive Covenants (the
18 “Regulatory Agreement”), between the City and the Borrower, in the form presented to the
19 Board, a copy of which is on file with the Clerk of the Board, is hereby approved. Each
20 Authorized City Representative is hereby authorized to execute the Regulatory Agreement,
21 approved as to form by the City Attorney, in substantially said form, together with such
22 additions thereto and changes therein as the City Attorney and Co-Bond Counsel may
23 approve or recommend in accordance with Section 9 hereof.

1 Section 6. Approval of Bond Purchase Agreement. The Bonds are authorized to be
2 sold to the Underwriter at a price equal to the principal amount thereof, less an underwriting
3 discount or underwriting fee not to exceed six-tenth of one percent (0.6%) of the principal
4 amount of the Bonds. A bond purchase agreement providing for the purchase and sale of the
5 Bonds, by and among the City, the Borrower and the Underwriter (the “Bond Purchase
6 Agreement”), in the form presented to the Board, a copy of which is on file with the Clerk of
7 the Board, is hereby approved. Each Authorized City Representative is hereby authorized to
8 execute the Bond Purchase Agreement in substantially said form, together with such additions
9 thereto and changes therein as the City Attorney and Co-Bond Counsel may approve or
10 recommend in accordance with Section 9 hereof.

11 Section 7. Approval of Official Statement. The form of official statement relating to
12 the Bonds (the “Official Statement”), a copy of which is on file with the Clerk of the Board, is
13 hereby approved. Each Authorized City Representative is hereby authorized to execute the
14 Official Statement in substantially said form, together with such additions and amendments
15 thereto and changes therein as the City Attorney and Hawkins Delafield & Wood LLP,
16 disclosure counsel to the City, may approve or recommend in accordance with Section 9
17 hereof. The Underwriter is hereby authorized to distribute the Official Statement to
18 prospective and actual purchasers of the Bonds.

19 Section 8. Issuer Fees. The City, acting through the MOHCD, shall charge a fee for
20 the administrative costs associated with issuing the Bonds in an amount not to exceed one-
21 quarter of one percent (0.25%) of the maximum aggregate principal amount of the Bonds.
22 Such fee shall be payable at closing and may be contingent on the delivery of the Bonds. The
23 City shall also charge an annual fee for monitoring compliance by the Borrower with certain
24 provisions of the Regulatory Agreement in an amount not to exceed: (a) one-eighth of one
25 percent (0.125%) of the outstanding aggregate principal amount of the Bonds, but no less

1 than \$2,500 annually for the term of the Regulatory Agreement. The annual monitoring fee
2 due for the first twelve (12) months shall be payable at closing. The Board hereby authorizes
3 the MOHCD to charge and collect the fees described in this section.

4 Section 9. Modifications, Changes, Additions. Any Authorized City Representative
5 executing the Indenture of Trust, the Financing Agreement, the Regulatory Agreement, the
6 Bond Purchase Agreement or the Official Statement (collectively, the “City Documents”), in
7 consultation with the City Attorney and Co-Bond Counsel, is hereby authorized to approve
8 and make such modifications, changes or additions to the City Documents as may be
9 necessary or advisable, provided that such modification does not authorize an aggregate
10 principal amount of the Bonds in excess of \$84,840,000, provide for a final maturity of the
11 Bonds that is later than forty (40) years from the issuance thereof, or provide for the Bonds to
12 bear interest at a rate in excess of twelve percent (12%) per annum. The approval of any
13 modification, addition or change to any of the aforementioned documents shall be evidenced
14 conclusively by the execution and delivery of the document in question by an Authorized City
15 Representative.

16 Section 10. Ratification. All actions heretofore taken by the officers and agents of the
17 City with respect to the sale and issuance of and the security for the Bonds, as is consistent
18 with the City Documents authorized herein, are hereby approved, confirmed and ratified.

19 Section 11. General Authority. The proper officers of the City (including the
20 Authorized City Representative) are hereby authorized and directed, for and in the name and
21 on behalf of the City, to do any and all things and take any and all actions and approve,
22 execute, acknowledge, and deliver any and all certificates, agreements (including, but not
23 limited to, tax documents and such agreements to provide adequate or additional security or
24 indemnities as required by lenders to consummate the financing) and other documents,
25 including but not limited to those documents described in the City Documents, which they, or

1 any of them, may deem necessary or advisable in order to consummate the lawful issuance
2 and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein
3 approved in accordance with this Resolution in consultation with the City Attorney. Any such
4 actions are solely intended to further the purposes of this Resolution, and are subject in all
5 respects to the terms of this Resolution. No such action shall increase the risk to the City or
6 require the City to spend any resources not otherwise granted herein. Final versions of such
7 documents (showing marked changes, if any) shall be provided to the Clerk of the Board for
8 inclusion in the official file within 30 days of execution by all parties.

9 Section 12. File. All documents referenced herein as being on file with the Clerk of
10 the Board are located in File No. _____, which is hereby declared to be a part of this
11 Resolution as if set forth fully herein.

12 Section 13. Effectiveness. This Resolution shall take effect from and after its adoption
13 by the Board and approval by the Mayor.

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

18
19 By: _____
20 KENNETH DAVID ROUX
21 Deputy City Attorney