

1 [Multifamily Housing Revenue Bond - 1500 Mission Street Apartments - Not to Exceed
2 \$325,000,000]

3 **Resolution authorizing the issuance and sale of multifamily housing revenue bonds in**
4 **an aggregate principal amount not to exceed \$325,000,000 for the purpose of providing**
5 **financing for the acquisition, development and construction of a 550-unit, mixed**
6 **income, multifamily rental housing project located in the City at 1500-1580 Mission**
7 **Street; approving the form of and authorizing the execution of an indenture of trust**
8 **providing the terms and conditions of the bonds and authorizing the issuance thereof;**
9 **approving the form of and authorizing the execution of a regulatory agreement and**
10 **declaration of restrictive covenants; approving the form of and authorizing the**
11 **execution of a loan agreement; approving the form of and authorizing the execution of**
12 **a bond purchase agreement; authorizing the collection of certain fees; ratifying and**
13 **approving any action heretofore taken in connection with the bonds and the Project, as**
14 **defined herein; granting general authority to City officials to take actions necessary to**
15 **implement this Resolution, as defined herein; and related matters, as defined herein.**

16
17 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
18 "Board") desires to provide for a portion of the costs of the acquisition, development and
19 construction by 1500 Mission Urban Housing, LP, a Delaware limited partnership, or an
20 affiliate thereof (the "Borrower"), of a 550-unit, mixed income, multifamily rental housing
21 development located at 1500-1580 Mission Street in San Francisco, California (the "Project"),
22 to provide rental housing for persons and families of very low income and market rate rental
23 housing through the issuance of multifamily housing revenue bonds; and

1 WHEREAS, The City and County of San Francisco (the "City") is authorized to issue
2 revenue bonds, notes and other obligations for such purpose pursuant to the Charter of the
3 City, Article I of Chapter 43 of the Administrative Code of the City and, to the extent
4 applicable, Chapter 7 of Part 5 of Division 31 (commencing with Section 52075) of the Health
5 and Safety Code of the State of California (collectively, the "Act"); and

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

9 WHEREAS, This Board is the elected legislative body of the City, and either of the
10 Mayor of the City (the "Mayor") or this Board is the applicable elected representative required
11 to approve the issuance of the Bonds within the meaning of Section 147(f) of the Code; and

12 WHEREAS, Following a public hearing on June 28, 2017, at which there was an
13 opportunity for persons to comment on the issuance of the Bonds, this Board, on July 11,
14 2017, adopted Resolution No. 277-17, approving the issuance of the Bonds solely for the
15 purposes of Section 147(f) of the Code in an amount not to exceed \$475,000,000; and

16 WHEREAS, On September 20, 2017, the California Debt Limit Allocation Committee
17 ("CDLAC"), in its Resolution No. 17-83, allocated to the Project \$325,000,000 in qualified
18 private activity bond volume cap pursuant to Section 146 of the Code; and

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

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

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

3 WHEREAS, The Bonds will be limited obligations of the City, the sole source of
4 repayment of which shall be payments made by the Borrower under the Loan Agreement
5 (hereinafter defined), together with the investment income of certain funds and accounts held
6 under the Trust Indenture (hereinafter defined); and

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

9 WHEREAS, the Borrower, as the party ultimately responsible for providing funds to
10 repay the Bonds, has selected Hilltop Securities Inc., as initial private placement purchaser of
11 the Bonds (the "Initial Purchaser"), and Deutsche Bank AG, New York Branch, or an affiliate,
12 as the ultimate private placement purchaser of the Bonds (the "Bond Purchaser"); and

13 WHEREAS, The Borrower has requested the City to enter into a Bond Purchase
14 Agreement (the "Bond Purchase Agreement"), by and among the Borrower, the City, the Initial
15 Purchaser and the Bond Purchaser, pursuant to which the City will from time to time sell the
16 Bonds authorized hereby to the Initial Purchaser and the Initial Purchaser will immediately
17 redeliver such Bonds to the Bond Purchaser; now, therefore, be it

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

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

22 Section 2. Approval of Issuance of the Bonds. In accordance with the Act and the
23 Trust Indenture (hereinafter defined), the City is hereby authorized to issue the Bonds, such
24 Bonds to be issued in one or more series and/or subseries, and designated as "City and
25 County of San Francisco, California Multifamily Housing Revenue Bonds, Series 2017E (1500

1 Mission Street Apartments)" or such other designation as may be necessary or appropriate to
2 distinguish such series from every other series of bonds or notes of the City, in an aggregate
3 principal amount not to exceed \$325,000,000 (the "Bonds"), with an interest rate not to
4 exceed twelve percent (12%) per annum for the Bonds, and which shall have a final maturity
5 date not later than forty (40) years from the date of issuance. The Bonds shall be in
6 substantially the form set forth in and otherwise in accordance with the Trust Indenture, and
7 shall be executed by the manual signature of the Mayor and as further provided in the Trust
8 Indenture.

9 Section 3. Approval of Trust Indenture. The Indenture of Trust (the "Trust
10 Indenture"), by and between the City and a trustee to be named therein (the "Trustee"), in the
11 form presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby
12 approved. The Mayor, the Director of the Mayor's Office of Housing and Community
13 Development (including any Acting or Interim Director, the "Director"), or any Authorized City
14 Representative (as such term is defined in the Trust Indenture) is hereby authorized to
15 execute the Trust Indenture (collectively, "Authorized Representatives" and each, an
16 "Authorized Representative"), approved as to form by the City Attorney of the City (the "City
17 Attorney"), in substantially said form, together with such additions thereto and changes therein
18 as the City Attorney and Co-Bond Counsel may approve or recommend in accordance with
19 Section 8 hereof.

20 Section 4. Approval of Regulatory Agreement and Declaration of Restrictive
21 Covenants. The Regulatory Agreement and Declaration of Restrictive Covenants (the
22 "Regulatory Agreement"), by and between the City and the Borrower, in the form presented to
23 the Board, a copy of which is on file with the Clerk of the Board, is hereby approved. Each
24 Authorized Representative is hereby authorized to execute the Regulatory Agreement,
25 approved as to form by the City Attorney, in substantially said form, together with such

1 additions thereto and changes therein as the City Attorney and Co-Bond Counsel may
2 approve or recommend in accordance with Section 8 hereof.

3 Section 5. Approval of Loan Agreement. The Loan Agreement (the "Loan Agreement"),
4 by and between the City and the Borrower, in the form presented to the Board, a copy of
5 which is on file with the Clerk of the Board, is hereby approved. Each Authorized
6 Representative is hereby authorized to execute the Loan Agreement in substantially said
7 form, together with such additions thereto and changes therein as the City Attorney and Co-
8 Bond Counsel may approve or recommend in accordance with Section 8 hereof.

9 Section 6. Approval of Bond Purchase Agreement. The form of Bond Purchase
10 Agreement, in the form presented to the Board, a copy of which is on file with the Clerk of the
11 Board, is hereby approved. Each Authorized Representative is hereby authorized to execute
12 the Bond Purchase Agreement in substantially said form, together with such additions thereto
13 and changes therein as the City Attorney and Co-Bond Counsel may approve or recommend
14 in accordance with Section 8 hereof.

15 Section 7. Issuer Fees. The City, acting through the Mayor's Office of Housing and
16 Community Development ("MOHCD"), shall charge a fee for the administrative costs
17 associated with issuing the Bonds in an amount not to exceed 0.25% of the maximum
18 aggregate principal amount of the Bonds. Such fee shall be payable at the Bond closing and
19 may be contingent on the issuance and delivery of the Bonds. The City shall also charge an
20 annual fee for monitoring compliance with the provisions of the Regulatory Agreement in an
21 amount not to exceed 0.125% of the outstanding aggregate principal amount of the Bonds,
22 but no less than \$2,500 annually, for the term of the Regulatory Agreement. The initial
23 monitoring fee shall be payable at Bond closing. The Board hereby authorizes MOHCD to
24 charge and collect the fees described in this section.

1 Section. 8. Modifications, Changes, Additions. Any Authorized Representative
2 executing the Trust Indenture, the Regulatory Agreement, the Loan Agreement or the Bond
3 Purchase Agreement (collectively, the "City Agreements"), in consultation with the City
4 Attorney and Co-Bond Counsel, is hereby authorized to approve and make such
5 modifications, changes or additions to the City Agreements as may be necessary or
6 advisable, provided that any such modification does not authorize an aggregate principal
7 amount of the Bonds in excess of \$325,000,000, provide for a final maturity on the Bonds later
8 than forty (40) years from the date of issuance thereof, or provide for the Bonds to bear
9 interest at a rate in excess of twelve percent (12%) per annum. The approval of any
10 modification, addition or change to any of the aforementioned documents shall be evidenced
11 conclusively by the execution and delivery of the document in question.

12 Section 9. Ratification. All actions heretofore taken by the officers and agents of the
13 City with respect to the issuance of the Bonds, as consistent with the documents herein and
14 this Resolution, are hereby approved, confirmed and ratified.

15 Section 10. General Authority. The proper officers of the City are hereby authorized
16 and directed, for and in the name and on behalf of the City, to do any and all things and take
17 any and all actions and execute and deliver any and all certificates, agreements and other
18 documents, including but not limited to assignments, subordinations, tax documents and
19 those documents described in the City Agreements, which they, or any of them, may deem
20 necessary or advisable in order to consummate the lawful issuance of the Bonds. Any such
21 actions are solely intended to further the purposes of this Resolution, and are subject in all
22 respects to the terms of the Resolution. No such actions shall increase the risk to the City or
23 require the City to spend any resources not otherwise granted herein. Final versions of any
24 such documents shall be provided to the Clerk of the Board for inclusion in the official file
25 within 30 days of execution by all parties.

1 Section 11. File. All documents referenced herein as being on file with the Clerk of the
2 Board of Supervisors are located in File No. 171113, which is hereby declared to be a part of
3 this Resolution as if set forth fully herein.

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1 APPROVED AS TO FORM:
2 DENNIS J. HERRERA
3 City Attorney

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4 By: _____

5 KENNETH D. ROUX
6 Deputy City Attorney

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