

1 [Multifamily Housing Revenue Note - 588 Mission Bay Boulevard North (aka Mission Bay
2 South Block 7 West) - Not to Exceed \$61,427,368]

3 **Resolution authorizing the issuance and delivery of a multifamily housing revenue note**
4 **in an aggregate principal amount not to exceed \$61,427,368 for the purpose of**
5 **providing financing for the acquisition and construction of a 200-unit multifamily rental**
6 **housing project located in the City at 588 Mission Bay Boulevard North (aka Mission**
7 **Bay South Block 7 West); approving the form of and authorizing the execution of a**
8 **funding loan agreement providing the terms and conditions of the note and authorizing**
9 **the execution and delivery thereof; approving the form of and authorizing the execution**
10 **of a regulatory agreement and declaration of restrictive covenants; approving the**
11 **forms of and authorizing the execution of certain loan documents; authorizing the**
12 **collection of certain fees; ratifying and approving any action heretofore taken in**
13 **connection with the note and the project, as defined herein; granting general authority**
14 **to City officials to take actions necessary to implement this Resolution, as defined**
15 **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 and construction by
19 Mission Bay Block 7 Housing Partners, L.P., a California limited partnership (the "Borrower"),
20 of a 200-unit affordable multifamily housing residential rental development located at 588
21 Mission Bay Boulevard North, San Francisco, California (also known as Mission Bay South
22 Block 7 West) (the "Project"), to provide housing for persons and families of low and very low
23 income through the issuance of multifamily housing revenue bonds or notes; and

24 WHEREAS, The City and County of San Francisco (the "City") is authorized to issue
25 revenue notes 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 Note (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 Note is 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 the applicable
9 elected representative required to approve the issuance of the Note within the meaning of
10 Section 147(f) of the Code; and

11 WHEREAS, On December 16, 2014, this Board, after a hearing at which there was an
12 opportunity for persons to comment on the issuance of the Note, in Resolution No. 477-14,
13 approved the issuance of the Note for the purposes of Section 147(f) of the Code in an
14 amount not to exceed \$62,500,000; and

15 WHEREAS, On March 18, 2015, CDLAC in its resolution number 15-23, allocated an
16 amount equal to \$61,427,368 in qualified private activity bonds to the Project; and

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

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

24 WHEREAS, The Board finds that the public interest and necessity require that the City
25 at this time make arrangements for the sale of the Note; and

1 WHEREAS, The Note is a limited obligation of the City, the sole source of repayment of
2 which shall be payments made by the Borrower under the Borrower Loan Agreement
3 (hereinafter defined), together with investment income of certain funds and accounts held
4 under the Funding Loan Agreement (hereinafter defined); and

5 WHEREAS, The City has engaged Jones Hall, A Professional Law Corporation, and
6 Schiff Hardin LLP, as co-bond counsel with respect to the Note ("Co-Bond Counsel"); and

7 WHEREAS, Citibank, N.A. (the "Bank") has expressed its intention to purchase, or
8 cause an affiliate to purchase, the Note authorized hereby; now, therefore, be it

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

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

13 Section 2. Approval of Issuance of Note. In accordance with the Act and the Funding
14 Loan Agreement (hereinafter defined), the City is hereby authorized to issue and deliver a
15 revenue note of the City, such note to be issued in one or more series and subseries, and
16 designated as "City and County of San Francisco Multifamily Housing Revenue Note (Mission
17 Bay Block 7), 2015 Series D," or such other designation as may be necessary or appropriate
18 to distinguish such series from every other series of notes of the City, in an aggregate
19 principal amount not to exceed \$61,427,368 (the "Note"), with an interest rate not to exceed
20 twelve percent (12%) per annum for the Note, and which shall have a final maturity date not
21 later than May 1, 2055. The Note shall be in the form set forth in and otherwise in accordance
22 with the Funding Loan Agreement, and shall be executed by the manual or facsimile signature
23 of the Mayor of the City (the "Mayor") and as further provided in the Funding Loan Agreement.

24 Section 3. Approval of Funding Loan Agreement. The Funding Loan
25 Agreement (the "Funding Loan Agreement"), by and between Citibank, N.A., the City, and a

1 qualified fiscal agent (the "Fiscal Agent") to be selected by the Director of the Mayor's Office
2 of Housing and Community Development (the "Director"), in the form presented to the Board,
3 a copy of which is on file with the Clerk of the Board, is hereby approved. The Mayor, the
4 Director or any Authorized Governmental Lender Representative of the City (as such term is
5 defined in the Funding Loan Agreement) is hereby authorized to execute the Funding Loan
6 Agreement (collectively, "Authorized Representatives" and each, an "Authorized
7 Representative"), approved as to form by the City Attorney of the City (the "City Attorney"), in
8 substantially said form, together with such additions thereto and changes therein as the City
9 Attorney and Co-Bond Counsel may approve or recommend in accordance with Section 7
10 hereof.

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

19 Section 5. Approval of City Loan Documents. The Borrower Loan Agreement by and
20 between the City and the Borrower (the "Borrower Loan Agreement"), and the Assignment of
21 Leasehold Multifamily Deed of Trust and Loan Documents from the City to the Bank (the
22 "Assignment" and together with the Borrower Loan Agreement, the "City Loan Documents"), in
23 the forms presented to the Board, copies of which are on file with the Clerk of the Board, are
24 hereby approved. Each Authorized Representative is hereby authorized to execute the City
25 Loan Documents in substantially said form, together with such additions thereto and changes

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

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

13 Section 7. Modifications, Changes, Additions. Any Authorized Representative
14 executing the Funding Loan Agreement, the Regulatory Agreement or the City Loan
15 Documents (collectively, the "City Agreements"), in consultation with the City Attorney and
16 Co-Bond Counsel, is hereby authorized to approve and make such modifications, changes or
17 additions to the City Agreements as may be necessary or advisable, provided that such
18 modification does not authorize an aggregate principal amount of the Note in excess of
19 \$61,427,368, provide for a final maturity on the Note later than May 1, 2055, or provide for the
20 Note to bear interest at a rate in excess of twelve percent (12%) per annum. The approval of
21 any modification, addition or change to any of the aforementioned documents shall be
22 evidenced conclusively by the execution and delivery of the document in question.

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

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

9 Section 10. 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.

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

17 By: _____
18 HEIDI J. GEWERTZ
19 Deputy City Attorney

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