

1 [Multifamily Housing Revenue Bonds - 4200 Geary - Not to Exceed \$60,000,000]

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3 **Resolution authorizing the issuance and delivery of tax-exempt multifamily housing**
4 **revenue bonds in an aggregate principal amount not to exceed \$60,000,000 for the**
5 **purpose of providing financing for the construction of a 98-unit, affordable multifamily**
6 **residential rental housing project for seniors located at 4200 Geary Boulevard within**
7 **the City; approving the form of and authorizing the execution of an indenture of trust**
8 **providing the terms and conditions of the bonds; approving the form of and**
9 **authorizing the execution of a loan agreement; approving the form of and authorizing**
10 **the execution of a regulatory agreement and declaration of restrictive covenants;**
11 **approving modifications, changes and additions to the documents; authorizing the**
12 **collection of certain fees; approving, for purposes of the Internal Revenue Code of**
13 **1986, as amended, the issuance and sale of residential mortgage revenue bonds by the**
14 **City in an aggregate principal amount not to exceed \$60,000,000 to finance the**
15 **acquisition and construction of the 4200 Geary apartments; ratifying and approving**
16 **any action heretofore taken in connection with the bonds and the Project, as defined**
17 **herein; granting general authority to City officials to take actions and execute any other**
18 **documents necessary to implement this Resolution, as defined herein; and related**
19 **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 construction by
23 4200 Geary Associates, L.P., a California limited partnership (the "Borrower"), of a 98-unit
24 residential rental housing development located at 4200 Geary Boulevard, San Francisco,
25

1 California (the "Project"), to provide housing for seniors of low and very low income through
2 the issuance of multifamily housing revenue bonds as described herein; and

3 WHEREAS, The City and County of San Francisco (the "City") is authorized to issue
4 revenue bonds for such purpose pursuant to the Charter of the City and Article I of Chapter 43
5 of the Administrative Code of the City, as now in effect and as it may from time to time
6 hereafter be amended or supplemented (collectively, the "Act"); and

7 WHEREAS, Any Bonds (as defined in Section 4 below) to be issued to finance the
8 Project will be limited obligations of the City, the sole source of repayment for which shall be
9 payments made by the Borrower or collateral security pledged by or for the Borrower, together
10 with investment income on certain funds and accounts; and

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

14 WHEREAS, The City now wishes to approve the issuance of the Bonds in order to
15 satisfy the public approval requirements of Section 147(f) of the Code; and

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

17 WHEREAS, On December 5, 2022, the City caused a notice to be published in the
18 Notices section of the Mayor's Office of Housing and Community Development website (at
19 <https://sfmohcd.org/notices-0>) stating that a public hearing with respect to the issuance of the
20 Bonds would be held by the Mayor's Office of Housing and Community Development on
21 December 13, 2022; and

22 WHEREAS, The Mayor's Office of Housing and Community Development held the
23 public hearing described above on December 13, 2022, and an opportunity was provided for
24 persons to comment on the issuance of the Bonds and the Project; and

1 WHEREAS, This Board is the elected legislative body of the City and is the applicable
2 elected representative authorized to approve the issuance of the Bonds within the meaning of
3 Section 147(f) of the Code; and

4 WHEREAS, There has been prepared and presented to this Board for consideration at
5 this meeting the documentation required for the issuance of the Bonds, including the minutes
6 of the above-referenced public hearing, and such documentation is on file with the Clerk of the
7 Board of Supervisors (the "Clerk of the Board"); and

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

11 WHEREAS, This Board finds that public interest and necessity require that the City at
12 this time make arrangements for the sale, issuance and delivery of the Bonds; and

13 WHEREAS, The City has engaged Jones Hall, A Professional Law Corporation and
14 Husch Blackwell LLP, as co-bond counsel with respect to the Bonds ("Co-Bond Counsel");
15 and

16 WHEREAS, JPMorgan Chase Bank, N.A. has expressed its intention to purchase, or
17 cause an affiliate to purchase, the Bonds authorized hereby; 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. This Board hereby finds and declares that the above
21 recitals are true and correct.

22 Section 2. Maximum Principal. The maximum principal amount of debt expected to
23 be issued for the Project is \$60,000,000.

24 Section 3. Approval for Purposes of Section 147(f) of the Code. This Board of
25 Supervisors, as the applicable elected representative of the governmental unit having

1 jurisdiction over the area in which the Project is located, hereby approves the issuance of the
2 Bonds for purposes of Section 147(f) of the Code.

3 Section 4. 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 tax-exempt
5 multifamily housing revenue bonds designated as "City and County of San Francisco,
6 California Multifamily Housing Revenue Bonds (4200 Geary) Series 2023B," in an aggregate
7 principal amount not to exceed \$60,000,000 (the "Bonds"); with such additional or other
8 designation as may be necessary or appropriate to distinguish such series from every other
9 series of bonds of the City, with an interest rate not to exceed twelve percent (12%) per
10 annum, and each with a final maturity date not later than forty-five (45) years from the date of
11 issuance of the Bonds. The Bonds shall be in the form set forth in and otherwise in
12 accordance with the Indenture, and shall be executed by the manual or facsimile signature of
13 the Mayor of the City (the "Mayor") and as further provided in the Indenture.

14 Section 5. Indenture. The Indenture of Trust (the "Indenture"), by and between the
15 City and The Bank of New York Mellon Trust Company, N.A., as trustee thereunder (the
16 "Trustee"), in the form presented to this Board, a copy of which is on file with the Clerk of the
17 Board, is hereby approved. Each of the Mayor, the Director of the Mayor's Office of Housing
18 and Community Development or any other Authorized City Representative (as such term is
19 defined in the Indenture) of the City (collectively, the "Authorized Officers") is hereby
20 authorized to execute the Indenture in said form, together with such additions thereto and
21 changes therein as the City Attorney and Co-Bond Counsel may approve or recommend in
22 accordance with Section 9 hereof.

23 Section 6. Approval of Loan Agreement. The Loan Agreement (the "Loan
24 Agreement"), by and between the City and the Borrower, in the form presented to this Board,
25 a copy of which is on file with the Clerk of the Board, is hereby approved. Each Authorized

1 Officer is hereby authorized to execute the Loan Agreement in said form, together with such
2 additions thereto and changes therein as the City Attorney and Co-Bond Counsel may
3 approve or recommend in accordance with Section 9 hereof.

4 Section 7. Regulatory Agreement and Declaration of Restrictive Covenants. The
5 Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory
6 Agreement"), by and between the City and the Borrower, in the form presented to this Board,
7 a copy of which is on file with the Clerk of the Board, is hereby approved. Each Authorized
8 Officer is hereby authorized to execute the Regulatory Agreement, in said form, together with
9 such additions thereto and changes therein as the City Attorney and Co-Bond Counsel may
10 approve or recommend in accordance with Section 9 hereof.

11 Section 8. Issuer Fees. The City, acting through the Mayor's Office of Housing and
12 Community Development, shall charge an annual administrative fee (the "Annual Fees") for
13 monitoring compliance with the provisions of the Regulatory Agreement in an amount not to
14 exceed one-eighth of one percent (0.125%) of the average outstanding aggregate principal
15 amount of the Bonds during the previous twelve months, but no less than \$2,500 annually, for
16 the term of the Regulatory Agreement. The Board hereby authorizes the Mayor's Office of
17 Housing and Community Development to charge and collect, or appoint an agent, which may
18 be the Trustee, to collect on behalf of the City, the fees described in this section.

19 Notwithstanding the foregoing provisions of this Section, the City, acting through the Mayor's
20 Office of Housing and Community Development, is authorized to charge an Issuance Fee or
21 Annual Fees, or both, that is or are lower than the fees prescribed in this Section if, upon the
22 advice of Co-Bond Counsel, lower fees are necessary or advisable to ensure that the Bonds
23 do not become "arbitrage bonds" within the meaning of Section 148 of the Code, or to ensure
24 that interest on the Bonds does not become includable in gross income for federal income tax
25 purposes.

1 Section 9. Modifications, Changes, Additions. Any Authorized Officer executing the
2 Indenture, the Loan Agreement, or the Regulatory Agreement (collectively, the “City
3 Agreements”), in consultation with the City Attorney and Co-Bond Counsel, is hereby
4 authorized to approve and make such modifications, changes or additions to the City
5 Agreements as may be necessary or advisable, provided that such modification does not
6 authorize an aggregate principal amount of the Bonds in excess of \$60,000,000, provide for a
7 final maturity on the Bonds later than forty-five (45) years from the date of issuance of the
8 Bonds, or provide for the Bonds to bear interest at a rate in excess of twelve percent (12%)
9 per annum. The approval of any modification, addition or change to any of the City
10 Agreements shall be evidenced conclusively by the execution and delivery of the document in
11 question by an Authorized Officer.

12 Section 10. Ratification. All actions heretofore taken by the officers and agents of the
13 City with respect to the sale, issuance and delivery of the Bonds, as consistent with the City
14 Agreements and this Resolution, are hereby approved, confirmed and ratified.

15 Section 11. General Authority. The proper officers of the City, including but not limited
16 to the Authorized Officers, are hereby authorized and directed, for and in the name and on
17 behalf of the City, to do any and all things and take any and all actions and execute and
18 deliver any and all certificates, agreements and other documents, subordinations,
19 assignments, tax documents and those documents described or referenced in the City
20 Agreements, which they, or any of them, may deem necessary or advisable in order to
21 consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes
22 thereof and of the City Agreements in consultation with the City Attorney. Any such actions
23 are solely intended to further the purposes of this Resolution and the Project, and are subject
24 in all respects to the terms of the Resolution. No such actions shall increase the risk to the
25 City or require the City to spend any resources not otherwise granted herein. Final versions

1 of any such documents shall be provided to the Clerk of the Board for inclusion in the official
2 file within thirty (30) days of execution by all parties.

3 Section 12. File. All documents referenced herein as being on file with the Clerk of
4 the Board are located in File No. 230101, which is hereby declared to be a part of this
5 Resolution as set forth fully herein.

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

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9 APPROVED AS TO FORM:
10 DAVID CHIU
11 City Attorney

12 By: /s/ Kenneth D. Roux
13 Kenneth D. Roux
14 Deputy City Attorney

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City and County of San Francisco

Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 230101

Date Passed: February 28, 2023

Resolution authorizing the issuance and delivery of tax-exempt multifamily housing revenue bonds in an aggregate principal amount not to exceed \$60,000,000 for the purpose of providing financing for the construction of a 98-unit, affordable multifamily residential rental housing project for seniors located at 4200 Geary Boulevard within the City; approving the form of and authorizing the execution of an indenture of trust providing the terms and conditions of the bonds; approving the form of and authorizing the execution of a loan agreement; approving the form of and authorizing the execution of a regulatory agreement and declaration of restrictive covenants; approving modifications, changes and additions to the documents; authorizing the collection of certain fees; approving, for purposes of the Internal Revenue Code of 1986, as amended, the issuance and sale of residential mortgage revenue bonds by the City in an aggregate principal amount not to exceed \$60,000,000 to finance the acquisition and construction of the 4200 Geary apartments; ratifying and approving any action heretofore taken in connection with the bonds and the Project, as defined herein; granting general authority to City officials to take actions and execute any other documents necessary to implement this Resolution, as defined herein; and related matters, as defined herein.

February 15, 2023 Budget and Finance Committee - RECOMMENDED

February 28, 2023 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 230101

I hereby certify that the foregoing Resolution was ADOPTED on 2/28/2023 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

3/2/23

Date Approved