

1 [Issuance and Sale of Revenue Bonds - Buchanan Park Apartments - Not to Exceed
2 \$15,000,000]

3 **Resolution approving the issuance and sale of tax-exempt bonds by the California**
4 **Municipal Finance Authority in an aggregate principal amount not to exceed**
5 **\$15,000,000 for financing the acquisition and rehabilitation of the Buchanan Park**
6 **Apartments, subject to the policies for such approvals adopted by the Board of**
7 **Supervisors in Ordinance No. 36-07.**

8
9 WHEREAS, The California Municipal Finance Authority (the "Authority"), proposes to
10 issue multifamily housing revenue bonds (the "Bonds") in an amount not to exceed
11 \$15,000,000 and to lend the proceeds thereof to Buchanan Park EAH LP or any successor
12 thereto (the "Borrower"), to be used for the acquisition and rehabilitation by Borrower of a 68-
13 unit apartment project to be known as Buchanan Park Apartments (the "Project"), located at
14 1150 Webster Street in the City and County of San Francisco, California (the "City"), to be
15 owned and operated by the Borrower or an entity related thereto or a partner thereof; and

16 WHEREAS, The issuance and delivery of the Bonds shall be subject to the approval of
17 and execution by the Authority of all financing documents relating thereto to which the
18 Authority is a party and subject to the sale of the Bonds by the Authority; and

19 WHEREAS, The issuance and delivery of the Bonds as tax-exempt obligations shall
20 also be subject to the approval of the California Debt Limit Allocation Committee ("CDLAC");
21 and

22 WHEREAS, The Project is located wholly within the City and County of San Francisco
23 (the "City"); and

1 WHEREAS, The interest on the Bonds may qualify for tax exemption under Section
2 103 of the Internal Revenue Code of 1986, as amended (the "Code") only if the Bonds are
3 approved in accordance with Section 147(f) of the Code; and

4 WHEREAS, The Board of Supervisors of the City (the "Board") is the elected legislative
5 body of the City and is the applicable elected representative required to approve the issue
6 within the meaning of Section 147(f) of the Code; and

7 WHEREAS, The Authority has requested the Board to approve the issuance and sale
8 of the Bonds in order to satisfy the public approval requirements of Section 147(f) of the Code;
9 and

10 WHEREAS, On May 18, 2014, the Borrower caused a notice to appear in *The*
11 *Examiner*, which is a newspaper of general circulation in the City, stating that a public hearing
12 with respect to the issuance of the Bonds would be held by the Mayor's Office of Housing on
13 June 3, 2014; and

14 WHEREAS, The Mayor's Office of Housing and Community Development held the
15 public hearing described above on June 3, 2014, and an opportunity was provided for citizens
16 to comment on the issuance and sale of the Bonds and the plan of financing for the Project;
17 and

18 WHEREAS, In Ordinance No. 36-07 (the "TEFRA Policy Ordinance"), the Board
19 adopted a set of policies relating to the approval of bonds under Section 147(f) of the Code,
20 also known as a "TEFRA Approval"; and

21 WHEREAS, City staff has engaged the Issuer and the Borrower in negotiations
22 regarding the satisfaction of the requirements of the TEFRA Policy Ordinance for purposes of
23 this resolution; and

24 WHEREAS, If and when the Bonds are issued, the Issuer and the Borrower have
25 agreed that the Bond documents will require the Project to meet certain affordability

1 requirements for at least 55 years, irrespective of the final maturity date of the Bonds,
2 including (i) a provision that annual rent increases for affordable units will be limited to the
3 percentage change in area median income for such years as such amount is determined by
4 HUD, and (ii) a provision that in the event that HUD does not make such a determination such
5 amount shall be determined by the Mayor's Office of Housing; and

6 WHEREAS, As required by the TEFRA Policy Ordinance, if and when the Bonds are
7 issued, the Bond regulatory agreement will require the Borrower to comply with the following
8 City policies: Local Disadvantaged Business Enterprise Subcontracting and Jobs Program;
9 Non-Discrimination in Contracts and Equal Benefits Policy; Minimum Compensation Policy;
10 Health Care Accountability Policy; and Prevailing Wage Policy (collectively, the "City
11 Contracting Requirements"); and

12 WHEREAS, The City is charged with monitoring compliance with and enforcing such
13 City Contracting Requirements, and is aware of its responsibility in this regard; and,

14 WHEREAS, A description of the expected ownership and management structure of the
15 Project after issuance in the form required by the TEFRA Policy Ordinance is on file with the
16 Clerk of the Board of Supervisors in File No. 060897 , which is hereby declared to be a part of
17 this resolution as if set forth fully herein; and

18 WHEREAS, The Borrower has agreed to reimburse the City for staff time relating to
19 this Resolution and the satisfaction of the agreements set forth in this Resolution; and,

20 WHEREAS, As reflected in the letter on file with the Clerk of the Board of Supervisors
21 in File No. 140652, which is hereby declared to be a part of this resolution as if set forth fully
22 herein, the Director of the Mayor's Office of Housing and Community Development
23 recommends passage of this Resolution; now, therefore, be it

24 RESOLVED, That this Board hereby finds and declares the above recitals are true and
25 correct; and, be it

1 FURTHER RESOLVED, This Board of Supervisors, as the applicable elected
2 representative of the governmental unit having jurisdiction over the area in which the Project
3 is located, hereby approves the issuance of the Bonds for purposes of Section 147(f) of the
4 Code; and, be it

5 FURTHER RESOLVED, That the approval of the issuance and sale of the Bonds by
6 the Authority is neither an approval of the underlying credit issues of the proposed Project nor
7 an approval of the financial structure of the Bonds; and, be it

8 FURTHER RESOLVED, That the Bonds shall not constitute a debt or obligation of the
9 City and the payment of the principal, prepayment premium, if any, and purchase price of and
10 interest on the Bonds shall be solely the responsibility of Borrower; and, be it

11 FURTHER RESOLVED, The adoption of this Resolution shall not obligate (i) the City to
12 provide financing to the Borrower for the acquisition, rehabilitation and development of the
13 Project or to issue the Bonds for purposes of such financing; or (ii) the City, or any department
14 of the City, to approve any application or request for, or take any other action in connection
15 with, any environmental, General Plan, zoning or any other permit or other action necessary
16 for the acquisition, rehabilitation, development or operation of the Project; and, be it

17 FURTHER RESOLVED, That in accordance with the TEFRA Policy Ordinance this
18 approval is conditioned on the incorporation of the agreements by the Borrower referenced in
19 the recitals of this Resolution, including but not limited to the satisfaction of the City
20 Contracting Policies, in the Bond regulatory agreement recorded against the property; and, be
21 it

1 FURTHER RESOLVED, That this Resolution shall take effect immediately upon its
2 adoption.

3 APPROVED AS TO FORM:

4 DENNIS J. HERRERA
5 City Attorney

6 By: Kenneth David Roux
7 KENNETH DAVID ROUX
8 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: 140652

Date Passed: June 17, 2014

Resolution approving the issuance and sale of tax-exempt bonds by the California Municipal Finance Authority in an aggregate principal amount not to exceed \$15,000,000 for financing the acquisition and rehabilitation of the Buchanan Park Apartments, subject to the policies for such approvals adopted by the Board of Supervisors in Ordinance No. 36-07.


June 09, 2014 Land Use and Economic Development Committee - RECOMMENDED

June 17, 2014 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 140652

I hereby certify that the foregoing
Resolution was ADOPTED on 6/17/2014 by
the Board of Supervisors of the City and
County of San Francisco.


Angela Calvillo
Clerk of the Board


Mayor


Date Approved