

1 [Multifamily Housing Revenue Bonds - Amendment of Indenture of Trust - SFHA Scattered
2 Sites - Not to Exceed \$47,833,736]

3 **Resolution approving the form and authorizing the execution and delivery of an**
4 **amendment to the Indenture of Trust securing the City's \$40,776,000 maximum**
5 **principal amount of Multifamily Housing Revenue Bonds (SFHA Scattered Sites), Series**
6 **2022A-1 and its \$7,057,736 maximum principal amount of Multifamily Housing Revenue**
7 **Bonds (SFHA Scattered Sites), Series 2022A-2 (Taxable), which provide financing for**
8 **the acquisition and rehabilitation of a 69-unit, affordable multifamily rental housing**
9 **project, consisting of five sites located at 4101 Noriega Street, 363 Noe Street, 200**
10 **Randolph Street/409 Head Street, 2206-2268 Great Highway and 2215-2263 48th**
11 **Avenue, and 1357-1371 Eddy Street (also known as 1353-1367 Eddy Street) known as**
12 **"SFHA Scattered Sites" within the City; approving modifications, changes and**
13 **additions to such amendment; ratifying and approving any action heretofore taken in**
14 **connection with such amendment; granting general authority to City officials to**
15 **execute and deliver documents and take actions necessary to implement this**
16 **Resolution, as defined herein; and related matters, as defined herein.**

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18 WHEREAS, On February 1, 2022, the Board of Supervisors (the "Board") of the City
19 and County of San Francisco (the "City") adopted Resolution No. 18-22 (the "Prior
20 Resolution"), authorizing the issuance and delivery of the City's \$40,776,000 maximum
21 principal amount of Multifamily Housing Revenue Bonds (SFHA Scattered Sites), Series
22 2022A-1 and its \$7,057,736 maximum principal amount of Multifamily Housing Revenue
23 Bonds (SFHA Scattered Sites), Series 2022A-2 (Taxable) (collectively, the "Bonds"), to
24 provide for the financing of a portion of the costs of the acquisition and rehabilitation, by
25 MHDC New Map, L.P., a California limited partnership (the "Borrower"), of a 69-unit residential

1 rental housing development, consisting of five sites located at 4101 Noriega Street, 363 Noe
2 Street, 200 Randolph Street/409 Head Street, 2206-2268 Great Highway and 2215-2263 48th
3 Avenue, and 1357-1371 Eddy Street (also known as 1353-1367 Eddy Street), known as
4 “SFHA Scattered Sites,” (the “Project”), which provides housing for persons and families of
5 low and very low income; and

6 WHEREAS, The sole source of repayment for the Bonds are payments made by the
7 Borrower and collateral pledged by the Borrower, together with investment income on certain
8 funds and accounts held under the Indenture of Trust, dated as of February 1, 2022 (the
9 “Indenture”), by and between the City and U.S. Bank Trust Company, National Association, as
10 trustee thereunder (the “Trustee”); and

11 WHEREAS, The City, acting through the Mayor’s Office of Housing and Community
12 Development, also made a subordinate loan in the amount of \$7,500,000 to the Borrower to
13 provide additional financing for the Project (the “MOHCD Loan”), a portion of which was used
14 by the Trustee to establish a reserve fund for the operation of the Project (the “Reserve
15 Fund”), as required by the purchaser of the Bonds; and

16 WHEREAS, On November 1, 2023, the Indenture was amended to facilitate the
17 recycling of private activity bond volume cap pursuant to Section 146(i)(6) of the Internal
18 Revenue Code of 1986, as amended; and

19 WHEREAS, At the request of the City, the Bond purchaser has rescinded the
20 requirement for the Reserve Fund, and the City now proposes to amend the Indenture to
21 provide for the release of the Reserve Fund in installments to prepay or repay a portion of the
22 MOHCD Loan, through the execution and delivery of a Second Amendment to Indenture of
23 Trust, between the City and the Trustee (the “Amendment”); and

24 WHEREAS, Western Alliance Business Trust, as the owner of the Bonds, and the
25 Borrower will consent to the Amendment as a condition to its execution and delivery; and

1 WHEREAS, Jones Hall, A Professional Law Corporation, as co-bond counsel to the
2 City in connection with the Bonds (“Co-Bond Counsel”), has advised the City that the
3 execution and delivery of the Amendment could cause a deemed reissuance of the Bonds
4 pursuant to 26 CFR Section 1.1001-3 and, accordingly, has recommended the execution
5 and/or filing of certain tax reissuance documents to preserve the tax exemption of interest on
6 the A-1 Bonds; and

7 WHEREAS, There has been prepared and presented to this Board for consideration at
8 this meeting a proposed form of the Amendment, and such documentation is on file with the
9 Clerk of the Board of Supervisors (the “Clerk of the Board”) in File No. 240741; and

10 WHEREAS, It appears that the document which is now before this Board is
11 substantially in final form and is an appropriate instrument to be executed and delivered for
12 the purposes intended; and

13 WHEREAS, This Board finds that public interest and necessity require that the City at
14 this time make arrangements for the amendment of the Indenture as described above; now,
15 therefore, be it

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

18 Section 1. Approval of Recitals. This Board hereby finds and declares that the above
19 recitals are true and correct.

20 Section 2. Amendment. The Amendment, in the substantially final form presented to
21 this Board, a copy of which is on file with the Clerk of the Board, is hereby approved. Each of
22 the Mayor, the Director of the Mayor's Office of Housing and Community Development (the
23 “Director”), and the Deputy Director of Housing of the Mayor's Office of Housing and
24 Community Development or any other Authorized City Representative (as such term is
25 defined in the Indenture) of the City (collectively, the “Authorized Officers”) is hereby

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

4 Section 3. Modifications, Changes, Additions. Any Authorized Officer executing the
5 Amendment is hereby authorized, in consultation with the City Attorney and Co-Bond
6 Counsel, to approve and make such modifications, changes or additions to the Amendment
7 as may be necessary or advisable, provided that such modification does not increase the risk
8 to the City or require the City to spend any resources not otherwise provided for herein. The
9 approval of any modification, addition or change to any of the Amendment shall be evidenced
10 conclusively by the execution and delivery of the document in question by an Authorized
11 Officer.

12 Section 4. Ratification. All actions heretofore taken by the officers and agents of the
13 City with respect to the execution and delivery of the Amendment, as consistent with this
14 Resolution, are hereby approved, confirmed and ratified.

15 Section 5. General Authority. The proper officers of the City, including, but not
16 limited to, the Authorized Officers, are hereby authorized and directed, for and in the name
17 and on behalf of the City, to do any and all things and take any and all actions and approve,
18 execute, acknowledge and/or deliver any and all certificates, agreements and other
19 documents including, but not limited to, subordinations, assignments, reissuance and other
20 tax documents and those documents described or referenced in the City Agreements (as such
21 term is defined in the Prior Resolution), which they, or any of them, may deem necessary or
22 advisable in order to consummate the lawful amendment of the Indenture and reissuance of
23 the Bonds and to effectuate the purposes thereof and of the Amendment in consultation with
24 the City Attorney and Co-Bond Counsel. Any such actions are solely intended to further the
25 purposes of this Resolution and the Project and are subject in all respects to the terms of this

1 Resolution. No such actions shall increase the risk to the City or require the City to spend any
2 resources not otherwise provided for herein. Final versions of any such documents shall be
3 provided to the Clerk of the Board for inclusion in the official file within thirty (30) days of
4 execution by all parties.

5 Section 6. File. All documents referenced herein as being on file with the Clerk of
6 the Board are located in File No. 240741, which is hereby declared to be a part of this
7 Resolution as if set forth fully herein.

8 Section 7. Effectiveness. This Resolution shall take effect from and after its adoption
9 by the Board and approval by the Mayor.

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11 APPROVED AS TO FORM:
12 DAVID CHIU, City Attorney

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14 By: /s/ KENNETH D. ROUX
15 KENNETH D. ROUX
16 Deputy City Attorney
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