

1 [Multifamily Housing Revenue Note - 1049 Golden Gate Avenue - Frederick Douglas Haynes  
2 Apartments - Not to Exceed \$67,760,000]

3 **Resolution authorizing the execution and delivery of a multifamily housing revenue**  
4 **note in one or more series in an aggregate principal amount not to exceed \$67,760,000**  
5 **for the purpose of providing financing for the acquisition and rehabilitation of a 104-**  
6 **unit (includes one resident manager unit) multifamily rental housing project located at**  
7 **1049 Golden Gate Avenue, known as the “Frederick Douglas Haynes Apartments;”**  
8 **approving the form of and authorizing the execution of a funding loan agreement**  
9 **providing the terms and conditions of the loan from the funding lender to the City and**  
10 **the execution and delivery of the note; approving the form of and authorizing the**  
11 **execution of a borrower loan agreement providing the terms and conditions of the loan**  
12 **from the City to the borrower; approving the form of and authorizing the execution of a**  
13 **regulatory agreement and declaration of restrictive covenants; authorizing the**  
14 **collection of certain fees; approving modifications, changes and additions to the**  
15 **documents; ratifying and approving any action heretofore taken in connection with the**  
16 **back-to-back loans, the note and the project; granting general authority to City officials**  
17 **to take actions necessary to implement this Resolution, as defined herein; and related**  
18 **matters, as defined herein.**

19  
20 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the  
21 “Board”) desires to provide for the financing of a portion of the costs of the rehabilitation by FD  
22 Haynes Apartments, L.P., a California limited partnership (the “Borrower”), of a 104-unit  
23 (includes one resident manager unit) residential rental development project located at 1049  
24 Golden Gate Avenue, 1019-1089 Golden Gate Avenue, 949-959 Laguna Street, 900-940  
25 McAllister Street, and 1010-1030 Buchanan Street in San Francisco, California, known as the

1 “Frederick Douglas Haynes Apartments” (the “Project”), to provide housing for persons and  
2 families of low income through the execution and delivery of a multifamily housing revenue  
3 note in one or more series which series may be taxable or tax-exempt (collectively, the  
4 “Note”); and

5 WHEREAS, The City and County of San Francisco (the “City”) is authorized to execute  
6 and deliver revenue notes for such purpose pursuant to the Charter of the City, Article I of  
7 Chapter 43 of the Administrative Code of the City and, to the extent applicable, Chapter 7 of  
8 Part 5 of Division 31 (commencing with Section 52075) of the Health and Safety Code of the  
9 State of California (“Health and Safety Code”), as now in effect and as it may from time to time  
10 hereafter be amended or supplemented (collectively, the “Act”); and

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

14 WHEREAS, The Board is the elected legislative body of the City and is the applicable  
15 elected representative authorized to approve the execution and delivery of the Note within the  
16 meaning of Section 147(f) of the Code;

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

18 WHEREAS, On August 13, 2019, the City caused a notice stating that a public hearing  
19 with respect to the execution and delivery of the Note would be held by the Mayor’s Office of  
20 Housing and Community Development on August 21, 2019, to appear on the Mayor’s Office  
21 of Housing and Community Development’s primary website; and

22 WHEREAS, The Mayor’s Office of Housing and Community Development held the  
23 public hearing described above on August 21, 2019 and an opportunity was provided for  
24 persons to comment on the execution and delivery of the Note and the financing of the  
25 Project; and

1           WHEREAS, The California Debt Limit Allocation Committee (“CDLAC”) in its  
2 Resolution No. 19-195, has allocated an amount not to exceed \$47,760,000 (the “Allocation  
3 Amount”) in qualified private activity volume cap to the Project; and

4           WHEREAS, There has been prepared and presented to the Board for consideration at  
5 this meeting the documentation required for the execution and delivery of the Note, and such  
6 documentation is on file with the Clerk of the Board of Supervisors (the “Clerk of the Board”);  
7 and

8           WHEREAS, It appears that each of the documents which is now before the 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, The Board finds that the public interest and necessity require that the City  
12 at this time make arrangements for the funding loan, the borrower loan and the execution and  
13 delivery of the Note; and

14           WHEREAS, The Note will be a limited obligation of the City, the sole source of  
15 repayment of which shall be payments made by the Borrower under the Borrower Loan  
16 Agreement (hereinafter defined), together with investment income of certain funds and  
17 accounts held under the Funding Loan Agreement (hereinafter defined); and

18           WHEREAS, The City has engaged Kutak Rock, LLP and Fox Rothschild LLP, as co-  
19 special counsel with respect to the Note (“Co-Special Counsel”); and

20           WHEREAS, Citibank, N.A. (or an affiliate thereof) (the “Funding Lender”) has  
21 expressed its intention to make the funding loan to be evidenced by the Note to the City; now,  
22 therefore, be it

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

25    ///

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

3           Section 2. Approval of Execution and Delivery of Note. This Board of Supervisors, as  
4 the applicable elected representative of the governmental unit having jurisdiction over the  
5 area in which the Project is located, hereby approves the execution and delivery of the Note  
6 for purposes of Section 147(f) of the Code. In accordance with the Act, the Funding Loan  
7 Agreement and the Borrower Loan Agreement, the City is hereby authorized to execute and  
8 deliver a note or notes in one or more series designated as “City and County of San  
9 Francisco, California Multifamily Housing Revenue Note (Frederick Douglas Haynes  
10 Apartments), Series 2020F-1” and “City and County of San Francisco, California Multifamily  
11 Housing Revenue Note (Frederick Douglas Haynes Apartments), Taxable Series 2020F-2” or  
12 such other designation as may be necessary or appropriate to distinguish such series from  
13 every other series of bonds or notes, in an aggregate principal amount not to exceed  
14 \$67,760,000 (the “Note”), provided that any tax-exempt portion of the Note shall not exceed  
15 the Allocation Amount, with an interest rate not to exceed twelve percent (12%) per annum for  
16 the Note, and which shall have a final maturity date not later than forty (40) years from the  
17 date of execution and delivery of the Note. The Note shall be in the form set forth in and  
18 otherwise in accordance with the Funding Loan Agreement and shall be executed by the  
19 manual or facsimile signature of the Mayor of the City (the “Mayor”) and as further provided in  
20 the Funding Loan Agreement.

21           Section 3. Approval of Funding Loan Agreement. The Funding Loan Agreement (the  
22 “Funding Loan Agreement”) in the form presented to the Board, a copy of which is on file with  
23 the Clerk of the Board, is hereby approved. The Funding Loan Agreement shall be entered  
24 into by and among the City, the Funding Lender and a fiscal agent to be named therein (the  
25 “Fiscal Agent”). Each of the Mayor, the Director for Housing of the Mayor’s Office of Housing

1 and Community Development, the Deputy Director for Housing of the Mayor's Office of  
2 Housing and Community Development, or any other Authorized Governmental Lender  
3 Representative (as such term is defined in the Funding Loan Agreement) of the City, acting  
4 individually or collectively (each, an "Authorized Governmental Lender Representative") is  
5 hereby authorized to execute the Funding Loan Agreement, approved as to form by the City  
6 Attorney of the City (the "City Attorney"), in substantially said form, together with such  
7 additions thereto and changes therein as the City Attorney and Co-Special Counsel may  
8 approve or recommend in accordance with Section 7 hereof.

9 Section 4. Approval of Borrower Loan Agreement and Assignment. The Borrower  
10 Loan Agreement (the "Borrower Loan Agreement") by and between the City and the Borrower  
11 and the Assignment of Deed of Trust and Loan Documents, from the City (the "Assignment"),  
12 in the forms presented to the Board, copies of which are on file with the Clerk of the Board,  
13 are hereby approved. Each Authorized Governmental Lender Representative is hereby  
14 authorized to execute the Borrower Loan Agreement and the Assignment in substantially said  
15 form, together with such additions thereto and changes therein as the City Attorney and Co-  
16 Special Counsel may approve or recommend in accordance with Section 7 hereof.

17 Section 5. Approval of Regulatory Agreement and Declaration of Restrictive  
18 Covenants. The Regulatory Agreement and Declaration of Restrictive Covenants (the  
19 "Regulatory Agreement" and, together with the Funding Loan Agreement, the Assignment and  
20 the Borrower Loan Agreement, the "City Documents"), between the City and the Borrower, in  
21 the form presented to the Board, a copy of which is on file with the Clerk of the Board, is  
22 hereby approved. Each Authorized Governmental Lender Representative is hereby  
23 authorized to execute the Regulatory Agreement, approved as to form by the City Attorney, in  
24 substantially said form, together with such additions thereto and changes therein as the City  
25 Attorney and Co-Special Counsel may approve or recommend in accordance with Section 7

1 hereof.

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

13 Section 7. Modifications, Changes, Additions. Any Authorized Governmental Lender  
14 Representative executing the City Documents, in consultation with the City Attorney and Co-  
15 Special Counsel, is hereby authorized to approve and make such modifications, amendments,  
16 changes or additions to the City Documents as may be necessary or advisable, provided that  
17 such modification does not authorize an aggregate principal amount of the Note in excess of  
18 \$67,760,000 or an aggregate principal amount of the tax-exempt portion of the Note in excess  
19 of the Allocation Amount, provide for a final maturity of the Note later than forty (40) years  
20 from the date of execution and delivery thereof, or provide for the Note to bear interest at a  
21 rate in excess of twelve percent (12%) per annum. The approval of any modification, addition  
22 or change to any of the aforementioned documents shall be evidenced conclusively by the  
23 execution and delivery of the document in question.

24 Section 8. Ratification. All actions heretofore taken by the officers and agents of the  
25 City with respect to the funding loan and the execution and delivery of the Note as consistent

1 with the purposes of this resolution and the City Documents are hereby approved, confirmed  
2 and ratified.

3 Section 9. General Authority. The proper officers of the City are hereby authorized  
4 and directed, for and in the name and on behalf of the City, to do any and all things and take  
5 any and all actions and execute and deliver any and all certificates, agreements (including  
6 such agreements to provide adequate or additional security or indemnities as required by  
7 lenders to consummate the financing) and other documents and amendments, including but  
8 not limited to those documents described in the City Documents, which they, or any of them,  
9 may deem necessary or advisable in order to consummate the lawful execution and delivery  
10 of the Note and to effectuate the purposes thereof and of the City Documents. Any such  
11 actions are solely intended to further the purposes of this Resolution, and are subject in all  
12 respects to the terms of the Resolution. No such actions shall increase the risk to the City or  
13 require the City to spend any resources not otherwise granted herein. Final versions of such  
14 documents shall be provided to the Clerk of the Board for inclusion in the official file within 30  
15 days of execution by all parties.

16 Section 10. File. All documents referenced herein as being on file with the Clerk of the  
17 Board are located in File No. \_\_\_\_\_, which is hereby declared to be a part of this  
18 Resolution as if set forth fully herein.

19 Section 11. This Resolution shall take effect from and after its adoption by the Board  
20 and approval by the Mayor.

21 APPROVED AS TO FORM:  
22 DENNIS J. HERRERA  
23 City Attorney

24 By: /s/ Kenneth David Roux  
25 Kenneth David Roux  
Deputy City Attorney

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