

1 [Multifamily Housing Revenue Bonds - 22, 102, and 104-106 South Park Street - Not to
2 Exceed \$37,109,907]

3 **Resolution authorizing the issuance and delivery of multifamily housing revenue bonds**
4 **in an aggregate principal amount not to exceed \$37,109,907 for the purpose of**
5 **providing financing for the acquisition and rehabilitation of a 108-unit affordable**
6 **multifamily rental housing project, consisting of three structures located at 22, 102, and**
7 **104-106 South Park Street; approving the form of and authorizing the execution of an**
8 **indenture of trust providing terms and conditions of the bonds; approving the form of**
9 **and authorizing the execution of one or more regulatory agreements and declarations**
10 **of restrictive covenants; approving the form of and authorizing the execution of a loan**
11 **agreement; authorizing the collection of certain fees; ratifying and approving any**
12 **action heretofore taken in connection with the bonds and the project; granting general**
13 **authority to City officials to take actions necessary to implement this Resolution, as**
14 **defined herein; and related matters, as defined herein.**

15

16 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
17 "Board") desires to provide for a portion of the costs of the acquisition and rehabilitation by
18 MHDC South Park Properties, L.P., a California limited partnership (the "Borrower"), of the
19 South Park Scattered Sites Project, a 108-unit rental housing development, consisting of three
20 structures located at 22, 102, and 104-106 South Park Street, San Francisco, California
21 94107 (the "Project"), through the issuance of multifamily housing revenue bonds; and

22 WHEREAS, The City and County of San Francisco (the "City") is authorized to issue
23 revenue bonds for such purpose pursuant to the Charter of the City, Article I of Chapter 43 of
24 the Administrative Code of the City and, to the extent applicable, Chapter 7 of Part 5 of
25 Division 31 (commencing with Section 52075) of the Health and Safety Code of the State of

1 California ("Health and Safety Code"), as now in effect and as it may from time to time
2 hereafter be amended or supplemented (collectively, the "Act"); and

3 WHEREAS, Any Bonds (hereinafter defined) to be issued to finance the Project will be
4 limited obligations of the City, the sole source of repayment for which shall be payments made
5 by the Borrower or collateral security pledged by or for the Borrower, together with investment
6 income on certain funds and accounts; and

7 WHEREAS, The interest on the Bonds may qualify for tax exemption under Section
8 103 of the Internal Revenue Code of 1986, as amended ("Code"), only if the Bonds are
9 approved in accordance with Section 147(f) of the Code; and

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

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

13 WHEREAS, On January 16, 2020, the City caused a notice stating that a public
14 hearing with respect to the issuance of the Bonds would be held by the Mayor's Office of
15 Housing and Community Development on January 31, 2020, published in the Notices section
16 of the Mayor's Office of Housing and Community Development website (at
17 <https://sfmohcd.org/notices-0>); and

18 WHEREAS, The Mayor's Office of Housing and Community Development held the
19 public hearing described above on January 31, 2020, and an opportunity was provided for
20 persons to comment on the issuance of the Bonds and the Project; and

21 WHEREAS, On October 16, 2019, the California Debt Limit Allocation Committee
22 ("CDLAC"), in its Resolution No. 19-175, allocated \$37,109,907 in qualified private activity
23 bond volume cap to the Project; and

24 WHEREAS, There has been prepared and presented to this Board for consideration at
25 this meeting the documentation required for the issuance of the Bonds, and such

1 documentation is on file with the Clerk of the Board of Supervisors (the "Clerk of the Board");
2 and

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

6 WHEREAS, This Board finds that public interest and necessity require that the City at
7 this time make arrangements for the sale of the Bonds; and

8 WHEREAS, The City has engaged Schiff Hardin LLP, and Amira Jackmon, Attorney at
9 Law as co-bond counsel with respect to the Bonds ("Co-Bond Counsel"); and

10 WHEREAS, JPMorgan Chase Bank, N.A. has expressed its intention to purchase, or
11 cause an affiliate to purchase, the Bonds authorized hereby; now, therefore, be it

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

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

16 Section 2. Approval of Issuance of Bonds. This Board of Supervisors, as the
17 applicable elected representative of the governmental unit having jurisdiction over the area in
18 which the Project is located, hereby approves the issuance of the Bonds for purposes of
19 Section 147(f) of the Code. In accordance with the Act and the Indenture (hereinafter
20 defined), the City is hereby authorized to issue and deliver revenue bonds of the City, such
21 bonds to be issued in one or more series, and designated as "City and County of San
22 Francisco Multifamily Housing Revenue Bonds (South Park Scattered Sites), Series 2020E,"
23 or such other designation as may be necessary or appropriate to distinguish such series from
24 every other series of bonds of the City, in an aggregate principal amount not to exceed
25 \$37,109,907 (the "Bonds"), with an interest rate not to exceed twelve percent (12%) per

1 annum for the Bonds, and which shall have a final maturity date not later than forty-five (45)
2 years from the date of issuance of the Bonds. The Bonds shall be in the form set forth in and
3 otherwise in accordance with the Indenture, and shall be executed by the manual signature of
4 the Mayor of the City (the "Mayor") and as further provided in the Indenture.

5 Section 3. Indenture. The Indenture of Trust (the "Indenture"), by and between the
6 City and a Trustee (the "Trustee") to be selected by the Director of the Mayor's Office of
7 Housing and Community Development (the "Director"), in the form presented to this Board, a
8 copy of which is on file with the Clerk of the Board, is hereby approved. Each of the Mayor,
9 the Director or any other Authorized City Representative (as such term is defined in the
10 Indenture) of the City (collectively, the "Authorized Officers") is hereby authorized to execute
11 the Indenture in said form, together with such additions thereto and changes therein as the
12 City Attorney and Co-Bond Counsel may approve or recommend in accordance with Section 7
13 hereof.

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

21 Section 5. Approval of Loan Agreement. The Loan Agreement (the "Loan
22 Agreement"), by and between the City and the Borrower, in the form presented to this Board,
23 a copy of which is on file with the Clerk of the Board, is hereby approved. Each Authorized
24 Officer is hereby authorized to execute the Loan Agreement in said form, together with such
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1 additions thereto and changes therein as the City Attorney and Co-Bond Counsel may
2 approve or recommend in accordance 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 Bonds (the "Issuance Fee") in an amount not to exceed 0.25% of the maximum
6 aggregate principal amount of the Bonds. Such fee shall be payable at closing and may be
7 contingent on the issuance of the Bonds. The City shall also charge an annual fee (the
8 "Annual Fees") for monitoring compliance with the provisions of the Regulatory Agreement in
9 an amount not to exceed 0.125% of the outstanding aggregate principal amount of the Bonds,
10 but no less than \$2,500 annually, during the period of rehabilitation of the Project. The Board
11 hereby authorizes the Mayor's Office of Housing and Community Development to charge and
12 collect, or appoint an agent, which may be the Trustee, to collect on behalf of the City, the
13 fees described in this section. Notwithstanding the foregoing provisions of this Section, the
14 City, acting through the Mayor's Office of Housing and Community Development, is
15 authorized to charge an Issuance Fee or Annual Fees, or both, that is or are lower than the
16 fees prescribed in this Section if, upon the advice of Co-Bond Counsel, lower fees are
17 necessary or advisable to ensure that the Bonds do not become "arbitrage bonds" within the
18 meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or to ensure that
19 interest on the Bonds does not become includable in gross income for federal income tax
20 purposes.

21 Section 7. Modifications, Changes, Additions. Any Authorized Officer executing the
22 Indenture, the Loan Agreement or the Regulatory Agreement (collectively, the "City
23 Agreements"), in consultation with the City Attorney and Co-Bond Counsel, is hereby
24 authorized to approve and make such modifications, changes or additions to the City
25 Agreements as may be necessary or advisable, provided that such modification does not

1 authorize an aggregate principal amount of the Bonds in excess of \$37,109,907, provide for a
2 final maturity on the Bonds later than forty-five (45) years from the date of issuance of the
3 Bonds, or provide for the Bonds to bear interest at a rate in excess of twelve percent (12%)
4 per annum. The approval of any modification, addition or change to any of the City
5 Agreements shall be evidenced conclusively by the execution and delivery of the document in
6 question.

7 Section 8. Ratification. All actions heretofore taken by the officers and agents of the
8 City with respect to the sale, issuance and delivery of the Bonds, as consistent with the City
9 Agreements and this Resolution, are hereby approved, confirmed and ratified.

10 Section 9. General Authority. The proper officers of the City, including but not limited
11 to the Authorized Officers, are hereby authorized and directed, for and in the name and on
12 behalf of the City, to do any and all things and take any and all actions and execute and
13 deliver any and all certificates, agreements and other documents (including but not limited to
14 any certificates necessary or advisable to (a) demonstrate the availability of and allocate a
15 portion of the previously-obtained voter approval of low rent housing projects pursuant to
16 Article 34 of the State Constitution to the Project, if applicable, and (b) memorialize the City's
17 existing commitment to make loans to the Borrower under its Preservation and Seismic Safety
18 program (such loans being approved by separate Board actions) upon completion of the
19 Project), subordinations, assignments, tax documents and those documents described in the
20 City 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. Any such actions are solely intended to further the
23 purposes of this Resolution, and are subject in all respects to the terms of the Resolution. No
24 such actions shall increase the risk to the City or require the City to spend any resources not
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1 otherwise granted herein. Final versions of any such documents shall be provided to the
2 Clerk of the Board for inclusion in the official file within 30 days of execution by all parties.

3 Section 10. File. All documents referenced herein as being on file with the Clerk of
4 the Board are located in File No. 200218, which is hereby declared to be a part of this
5 Resolution as set forth fully herein.

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7 APPROVED AS TO FORM:
8 DENNIS J. HERRERA
City Attorney

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10 By: _____
11 Heidi Gewertz
 Deputy City Attorney

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