

1 [Multifamily Housing Revenue Bonds]

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3 **Resolution authorizing the issuance and delivery of multifamily housing revenue bonds**
4 **(as defined herein) in an aggregate principal amount not to exceed \$17,000,000 for the**
5 **purpose of providing financing for a multifamily rental housing project; approving the**
6 **form of and authorizing the execution of an indenture providing the terms and**
7 **conditions of the bonds; approving the form of and authorizing the execution of a bond**
8 **purchase contract providing the terms and conditions for the sale of the bonds;**
9 **approving the form of and authorizing the execution of a regulatory agreement and**
10 **declaration of restrictive covenants; approving the form of and authorizing the**
11 **execution of a loan agreement; approving the form of and authorizing the execution of**
12 **an intercreditor agreement; approving the form of and authorizing the preparation and**
13 **distribution of an official statement relating to the bonds; making low income housing**
14 **findings; ratifying and approving any action heretofore taken in connection with the**
15 **bonds and the project; approving and authorizing the execution and delivery of any**
16 **document necessary to implement this resolution; and related matters.**

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18 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
19 “Board”) desires to provide for the financing of the construction by Mercy Housing California
20 XXIV, a California limited partnership (the “Borrower”), of that portion of a proposed
21 multifamily rental housing development for low and moderate income persons located at 522,
22 550 and 552 Carter Street and 105 Walbridge Street which is located within the boundaries of
23 San Francisco, California, to be known as the Carter Terrace Apartments (the “Project”),
24 through the issuance of revenue bonds; and

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1 WHEREAS, The City and County of San Francisco (the "City") is authorized to issue
2 revenue bonds for such purpose pursuant to the Charter of the City, Article I of Chapter 43 of
3 the Administrative Code of the City and County of San Francisco Municipal Code and, to the
4 extent applicable, Section 52097.5 of the California Health and Safety Code, as now in effect
5 and as it may from time to time hereafter be amended or supplemented (collectively, the
6 "Act"); and

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

10 WHEREAS, This Board is the elected legislative body of the City and is the applicable
11 elected representative required to approve the issuance of the Bonds within the meaning of
12 Section 147(f) of the Code; and

13 WHEREAS, On August 12, 2002, this Board in Resolution No. 542-02 approved the
14 issuance of the Bonds for the purposes of Section 147(f) of the Code; and

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

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

20 WHEREAS, E.J. De La Rosa & Co., Inc. and The Chapman Company (collectively, the
21 "Underwriters") have expressed their intention to purchase the Bonds authorized hereby, and
22 the Board finds that the public interest and necessity require that the City at this time make
23 arrangements for the sale of such Bonds; and

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1 WHEREAS, Citibank, N.A. (the “Credit Bank”) has agreed, subject to the satisfaction of
2 certain conditions, to facilitate the financing of the Project by providing a letter of credit to
3 support the Bonds; now, therefore, be it

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

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

8 Section 2. Approval of Issuance of Bonds. In accordance with the Act and the
9 Indenture (hereinafter defined), the City is hereby authorized to issue and deliver revenue
10 bonds of the City, such bonds to be designated as “City and County of San Francisco Variable
11 Rate Demand Multifamily Housing Revenue Bonds, Series 2002B (Carter Terrace
12 Apartments),” in an aggregate principal amount not to exceed \$17,000,000 (the “Bonds”), with
13 an initial interest rate not to exceed twelve percent (12%) per annum for the Bonds, and which
14 shall have a final maturity date not later than December 1, 2036. The Bonds shall be in the
15 form set forth in and otherwise in accordance with the Indenture, and shall be executed by the
16 manual or facsimile signature of the Mayor of the City (the “Mayor”) and the manual or
17 facsimile seal of the City shall be impressed or reproduced thereon and attested by the
18 manual or facsimile signature of the Clerk of the Board.

19 Section 3. Indenture. The Indenture (the “Indenture”), between the City and a
20 trustee bank to be determined by the City (the “Trustee”), in substantially the form presented
21 to the Board, a copy of which is on file with the Clerk of the Board, is hereby approved. The
22 Mayor, the Director of the Mayor’s Office of Housing or any Authorized City Representative
23 (as such term is defined in the Indenture) is hereby authorized to execute, and the Clerk of the
24 Board or an authorized designee is hereby authorized to attest, the Indenture in substantially
25 said form, with such additions thereto and changes therein as the City Attorney of the City and

1 County of San Francisco (the “City Attorney”) and Co-Bond Counsel may approve or
2 recommend in accordance with Section 9 hereof.

3 Section 4. Bond Purchase Contract. The City is hereby authorized to sell the Bonds
4 pursuant to the terms and conditions of a Bond Purchase Contract (the “Bond Purchase
5 Contract”), among the City, the Borrower and the Underwriters in substantially the form
6 presented to the Board, a copy of which is on file with the Clerk of the Board; and such Bond
7 Purchase Contract is hereby approved. The Mayor, the Director of the Mayor’s Office of
8 Housing or any Authorized City Representative is hereby authorized to execute, and the Clerk
9 of the Board or an authorized designee is hereby authorized to attest, the Bond Purchase
10 Contract, in substantially said form, with such additions thereto and changes therein as the
11 City Attorney and Co-Bond Counsel may approve or recommend in accordance with Section 9
12 hereof.

13 Section 5. Regulatory Agreement and Declaration of Restrictive Covenants. The
14 form of Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory
15 Agreement”), among the City, the Trustee and the Borrower, in substantially the form
16 presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby
17 approved. The Mayor, the Director of the Mayor’s Office of Housing or any Authorized City
18 Representative is hereby authorized to execute the Regulatory Agreement, in substantially
19 said form, with such additions thereto and changes therein as the City Attorney and Co-Bond
20 Counsel may approve or recommend in accordance with Section 9 hereof.

21 Section 6. Loan Agreement. The form of Loan Agreement (the “Loan Agreement”)
22 among the City, the Trustee and the Borrower, in substantially the form presented to the
23 Board, a copy of which is on file with the Clerk of the Board, is hereby approved. The Mayor,
24 the Director of the Mayor’s Office of Housing or any Authorized City Representative is hereby
25 authorized to execute the Loan Agreement, in substantially said form, with such additions

1 thereto and changes therein as the City Attorney and Co-Bond Counsel may approve or
2 recommend in accordance with Section 9 hereof.

3 Section 7. Intercreditor Agreement. The form of Intercreditor Agreement (the
4 “Intercreditor Agreement”) among the City, the Trustee and Citibank, Federal Savings Bank, in
5 substantially the form presented to the Board, a copy of which is on file with the Clerk of the
6 Board, is hereby approved. The Mayor, the Director of the Mayor’s Office of Housing or any
7 Authorized City Representative is hereby authorized to execute the Intercreditor Agreement,
8 in substantially said form, with such additions thereto and changes therein as the City
9 Attorney and Co-Bond Counsel may approve or recommend in accordance with Section 9
10 hereof.

11 Section 8. Approval of the Form and Circulation of Official Statement Relating to
12 Bonds. The form of official statement relating to the Bonds (the “Official Statement”), to be
13 used in connection with the offer and sale of the Bonds, in substantially the form presented to
14 the Board, a copy of which is on file with the Clerk of the Board, is hereby approved, and the
15 Board hereby ratifies and approves distribution of the Official Statement to the Underwriters,
16 with such additions thereto or changes therein as the City Attorney and Co-Bond Counsel
17 may approve or recommend in accordance with Section 9 hereof.

18 Section 9. Modifications, Changes, Additions. Any Authorized City Representative
19 executing a document approved herein, in consultation with the City Attorney and Co-Bond
20 Counsel, is hereby authorized to approve and make such modifications, changes or additions
21 to the Indenture, the Regulatory Agreement, the Loan Agreement, the Intercreditor
22 Agreement, the Bond Purchase Contract, and the Official Statement as may be necessary or
23 advisable, provided that such modification does not authorize an aggregate principal amount
24 of Bonds in excess of \$17,000,000, provide for a final maturity on the Bonds later than
25 December 1, 2036 or provide the Bonds to bear interest at a rate in excess of twelve percent

1 (12%) per annum. The approval of any modification, addition or change to any of the
2 aforementioned documents shall be evidenced conclusively by the execution and delivery of
3 the document in question.

4 Section 11. Low Income Housing Findings. This Board hereby finds and determines
5 that this Resolution constitutes final approval of a proposal that may result in housing
6 assistance benefiting persons of low income within the meaning of Section 36005 of the
7 California Health and Safety Code (the "Health and Safety Code"). This Board also finds that
8 the units of housing for persons of low income to be provided by the Project are being
9 financed in significant part with Proposition A (Affordable Housing Bonds) proceeds approved
10 by the voters in November, 1996, such that to the extent required under Article XXXIV of the
11 California Constitution, the Project has been approved by the voters of the City. Furthermore,
12 this Board finds and determines that the City's support of the Project does not constitute an
13 activity to "develop, construct, or acquire" a low rent housing project, in that the City's
14 activities are limited to those described in Section 37001.5(e) of the Health and Safety Code,
15 including the provision of assistance to the Project and monitoring compliance with the
16 conditions of such assistance.

17 Section 12. Ratification. All actions heretofore taken by the officers and agents of the
18 City with respect to the sale and issuance of the Bonds are hereby approved, confirmed and
19 ratified, and the proper officers of the City are hereby authorized and directed, for and in the
20 name and on behalf of the City, to do any and all things and take any and all actions and
21 execute and deliver any and all certificates, agreements and other documents, including but
22 not limited to those documents described in the Indenture and the other documents herein
23 approved, which they, or any of them, may deem necessary or advisable in order to
24 consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes
25 thereof and of the documents herein approved in accordance with this Resolution.

1 Section 13. All documents referenced herein as being on file with the Clerk of the
2 Board are located in File No. _____.

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4 APPROVED AS TO FORM:

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6 DENNIS J. HERRERA
7 City Attorney

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9 By: _____

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MICHAEL J. MARTIN
Deputy City Attorney

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