

1 [Multifamily Housing Revenue Note - 800 Presidio Avenue (aka the John Burton Foundation  
2 Housing Complex) - Not to Exceed \$15,000,000]

3 **Resolution authorizing the execution and delivery of a multifamily housing revenue**  
4 **note in an aggregate principal amount not to exceed \$15,000,000 for the purpose of**  
5 **providing financing for the acquisition, construction, and development of a 50-unit**  
6 **multifamily residential rental housing project located in the City at 800 Presidio Avenue**  
7 **(aka the John Burton Foundation Housing Complex); approving the form of and**  
8 **authorizing the execution of a funding loan agreement providing the terms and**  
9 **conditions of the note and authorizing the execution and delivery thereof; approving**  
10 **the form of and authorizing the execution of a regulatory agreement and declaration of**  
11 **restrictive covenants; approving the forms of and authorizing the execution of certain**  
12 **loan documents; authorizing the collection of certain fees; ratifying and approving any**  
13 **action heretofore taken in connection with the note and the project; granting general**  
14 **authority to City officials to take actions necessary to implement this Resolution; and**  
15 **related matters as defined herein.**

16  
17 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the  
18 "Board") desires to provide for a portion of the costs of the acquisition, construction and  
19 development by BTW Housing Partners, L.P., a California limited partnership (the "Borrower"),  
20 of a 50-unit affordable multifamily housing residential rental development located at 800  
21 Presidio Avenue, San Francisco, California (also known as the John Burton Foundation  
22 Housing Complex) (the "Project"), to provide housing for persons and families of low and very  
23 low income through the delivery of a multifamily housing revenue note; and

24 WHEREAS, The City and County of San Francisco (the "City") is authorized to issue  
25 revenue notes for such purpose pursuant to the Charter of the City, Article I of Chapter 43 of

1 the Administrative Code of the City and, to the extent applicable, Chapter 7 of Part 5 of  
2 Division 31 (commencing with Section 52075) of the Health and Safety Code of the State of  
3 California ("Health and Safety Code"), as now in effect and as it may from time to time  
4 hereafter be amended or supplemented (collectively, the "Act"); and

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

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

11 WHEREAS, On July 8, 2014, this Board, after a hearing at which there was an  
12 opportunity for persons to comment on the execution and delivery of the Note, pursuant to  
13 Resolution 236-14, approved the execution and delivery of the Note solely for the purposes of  
14 Section 147(f) of the Code in an amount not to exceed \$15,000,000; and

15 WHEREAS, On July 8, 2014, this Board, pursuant to Resolution 236-14, declared its  
16 intent to issue multifamily mortgage revenue bonds in an amount not to exceed \$15,000,000  
17 and authorized officers of the City to submit an application and related documents to the  
18 California Debt Limit Allocation Committee ("CDLAC") and take other actions in connection  
19 with the proposed financing of the Project; and

20 WHEREAS, On May 20, 2015, CDLAC in its resolution number 15-53, allocated an  
21 amount equal to \$15,000,000 in qualified private activity bonds to the Project; and

22 WHEREAS, Since more than one year lapsed after the initial public hearing and  
23 approval of the Note for purposes of Section 147(f) of the Code, the Mayor's Office of Housing  
24 and Community Development held a second public hearing starting at 10:30 a.m. on June 12,  
25 2015, notice of which hearing was published on May 27, 2015 in the *San Francisco Examiner*,

1 a newspaper of general circulation in the City in accordance with Section 147(f) of the Code,  
2 and an opportunity was provided for persons to comment on the execution and delivery of the  
3 Note and the financing of the Project (the “2015 Public Hearing”); and

4 WHEREAS, There has been prepared and presented to this 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 (the "Clerk of the Board"); and

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

10 WHEREAS, This Board finds that public interest and necessity require that the City at  
11 this time make arrangements for the execution and delivery of the Note; and

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

16 WHEREAS, The City has engaged Ballard Spahr LLP and Garcia, Hernández,  
17 Sawhney & Bermudez, LLP, as co-bond counsel with respect to the Note ("Co-Bond  
18 Counsel"); and

19 WHEREAS, Citibank, N.A. (the “Bank”) has expressed its intention to purchase, or  
20 cause an affiliate to purchase, the Note authorized hereby; now, therefore, be it

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

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

1           Section 2.    Approval of Execution and delivery of Note. In accordance with the Act  
2 and the Funding Loan Agreement (hereinafter defined), the City is hereby authorized to issue  
3 and deliver a revenue note of the City, such note to be issued in one or more series and  
4 subseries, and designated as "City and County of San Francisco Multifamily Housing  
5 Revenue Note (John Burton Foundation Housing Complex), 2015 Series E," or such other  
6 designation as may be necessary or appropriate to distinguish such series from every other  
7 series of notes of the City, in an aggregate principal amount not to exceed \$15,000,000 (the  
8 "Note"), with an interest rate not to exceed 12% per annum for the Note, and which shall have  
9 a final maturity date not later than August 1, 2055. The Note shall be in the form set forth in  
10 and otherwise in accordance with the Funding Loan Agreement, and shall be executed by the  
11 manual or facsimile signature of the Mayor of the City (the "Mayor") and as further provided in  
12 the Funding Loan Agreement.

13           Section 3.    Approval of Funding Loan Agreement. The Funding Loan Agreement, by  
14 and among Citibank, N.A., the City, and a qualified fiscal agent (the "Fiscal Agent") to be  
15 selected by the Director of the Mayor's Office of Housing and Community Development (the  
16 "Director") (the "Funding Loan Agreement"), in the form presented to this Board, a copy of  
17 which is on file with the Clerk of the Board, is hereby approved. The Mayor, the Director or  
18 any Authorized Governmental Lender Representative of the City (as such term is defined in  
19 the Funding Loan Agreement) is hereby authorized to execute the Funding Loan Agreement  
20 (collectively, "Authorized Representatives" and each, an "Authorized Representative"),  
21 approved as to form by the City Attorney of the City (the "City Attorney"), in substantially said  
22 form, together with such additions thereto and changes therein as the City Attorney and Co-  
23 Bond Counsel may approve or recommend in accordance with Section 7 hereof.

24           Section 4.    Approval of Regulatory Agreement and Declaration of Restrictive  
25 Covenants. The Regulatory Agreement and Declaration of Restrictive Covenants, between

1 the City and the Borrower (the "Regulatory Agreement"), in the form presented to this Board,  
2 a copy of which is on file with the Clerk of the Board, is hereby approved. Each Authorized  
3 Representative is hereby authorized to execute the Regulatory Agreement, approved as to  
4 form by the City Attorney, in substantially said form, together with such additions thereto and  
5 changes therein as the City Attorney and Co-Bond Counsel may approve or recommend in  
6 accordance with Section 7 hereof.

7 Section 5. Approval of City Loan Documents. The Borrower Loan Agreement, by  
8 and between the City and the Borrower (the "Borrower Loan Agreement"), and the  
9 Assignment of Multifamily Deed of Trust and Loan Documents, from the City to the Bank (the  
10 "Assignment" and together with the Borrower Loan Agreement, the "City Loan Documents"), in  
11 the forms presented to this Board, copies of which are on file with the Clerk of the Board, are  
12 hereby approved. Each Authorized Representative is hereby authorized to execute the City  
13 Loan Documents in substantially said form, together with such additions thereto and changes  
14 therein as the City Attorney and Co-Bond Counsel may approve or recommend in accordance  
15 with Section 7 hereof.

16 Section 6. Issuer Fees. The City, acting through the Mayor's Office of Housing and  
17 Community Development, shall charge a fee for the administrative costs associated with  
18 issuing the Note in an amount not to exceed 0.25% of the maximum aggregate principal  
19 amount of the Note. Such fee shall be payable at closing and may be contingent on the  
20 delivery of the Note. The City shall also charge an annual fee for monitoring compliance with  
21 the provisions of the Regulatory Agreement in an amount not to exceed 0.125% of the  
22 outstanding aggregate principal amount of the Note, but no less than \$2,500 annually, for the  
23 term of the Regulatory Agreement. The initial monitoring fee shall be payable at Note closing.  
24 The Board hereby authorizes the Mayor's Office of Housing and Community Development to  
25 charge and collect the fees described in this section.

1           Section 7.    Modifications, Changes, Additions. Any Authorized Representative  
2           executing the Funding Loan Agreement, the Regulatory Agreement or the City Loan  
3           Documents (collectively, the "City Agreements"), in consultation with the City Attorney and  
4           Co-Bond Counsel, is hereby authorized to approve and make such modifications, changes or  
5           additions to the City Agreements as may be necessary or advisable, provided that such  
6           modification does not authorize an aggregate principal amount of the Note in excess of  
7           \$15,000,000, provide for a final maturity on the Note later than August 1, 2055, or provide for  
8           the Note to bear interest at a rate in excess of 12% per annum. The approval of any  
9           modification, addition or change to any of the aforementioned documents shall be evidenced  
10          conclusively by the execution and delivery of the document in question.

11          Section 8.    Compliance with Section 147(f) of the Code. This Board, as the  
12          applicable elected representative of the governmental unit having jurisdiction over the area in  
13          which the Project is located and following the 2015 Public Hearing, hereby approves the  
14          execution and delivery of the Note for purposes of Section 147(f) of the Code.

15          Section 9.    Ratification. All actions heretofore taken by the officers and agents of the  
16          City with respect to the sale and execution and delivery of the Note, as consistent with the  
17          documents herein and this Resolution, are hereby approved, confirmed and ratified.

18          Section 10.   General Authority. The proper officers of the City, including but not limited  
19          to the Authorized Representatives, are hereby authorized and directed, for and in the name  
20          and on behalf of the City, to do any and all things and take any and all actions and execute  
21          and deliver any and all certificates, agreements and other documents, including but not limited  
22          to subordinations, tax documents and those documents described in the City Agreements,  
23          which they, or any of them, may deem necessary or advisable in order to consummate the  
24  
25

1 lawful execution and delivery of the Note. Any such actions are solely intended to further the  
2 purposes of this Resolution, and are subject in all respects to the terms of the Resolution. No  
3 such actions shall increase the risk to the City or require the City to spend any resources not  
4 otherwise granted herein. Final versions of any such documents shall be provided to the  
5 Clerk of the Board for inclusion in the official file within 30 days of execution by all parties.

6 Section 11. File. All documents referenced herein as being on file with the Clerk of  
7 the Board are located in File No. 140719, which is hereby declared to be a part of this  
8 Resolution as if set forth fully herein.

9

10 APPROVED AS TO FORM:  
11 DENNIS J. HERRERA  
City Attorney

12

13 By: \_\_\_\_\_  
14 Kenneth David Roux  
Deputy City Attorney

15

n:\financlas2015\1500852\01024764.doc

16

17

18

19

20

21

22

23

24

25